DEBATES IN CONGRESS.

PART I. OF VOL. XIV.

REGISTER

OF

DEBATES IN CONGRESS,

COMPRISING THE LEADING DEBATES AND INCIDENTS

OF THE FIRST SESSION OF THE TWENTY-FIFTH CONGRESS:

TOGETHER WITH

AN APPENDIX,

CONTAINING

IMPORTANT STATE PAPERS AND PUBLIC DOCUMENTS,

AND THE

LAWS ENACTED DURING THE SESSION:

WITH A COPIOUS INDEX TO THE WHOLE.

VOLUME XIV.

WASHINGTON:

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1837.

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REGISTER OF DEBATES IN CONGRESS.

TWENTY-FIFTH CONGRESS....FIRST SESSION.

FROM SEPTEMBER 4 TO OCTOBER 16, 1837.

DEBATES IN THE SENATE.

In pursuance of the authority given by the constitution, the President of the United States, on the 15th day of May, caused to be issued the proclamation which follows:

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION.

Whereas great and weighty matters, claiming the consideration of the Congress of the United States, form an extraordinary occasion for convening them, I do, by these presents, appoint the first Monday of September next for their meeting at the city of Washington; hereby requiring the respective Senators and Representatives then and there to assemble in Congress, in order to receive such communications as may then be made to them, and to consult and determine on such measures as in their wisdom may be deemed meet for the welfare of the United States.

In testimony whereof, I have caused the seal of the United States [L. S.] to be hereunto affixed, and signed the same with my hand.

Done at the city of Washington, the fifteenth day of May, in the year of our Lord one thousand eight hundred and thirty-seven, and of the independence of the United States the sixty-first. M. VAN BUREN.

By the President:
JOHN FORSYTH, Secretary of State.

LIST OF THE SENATORS.

MAINE—John Ruggles, Reuel Williams.
NEW HAMPSHIRE—Henry Hubbard, Franklin Pierce.
MASSACHUSETTS—John Davis, Daniel Webster.
RHODE ISLAND—Nehemiah R. Knight, Asher Robbins.
CONNECTICUT—John M. Niles, Perry Smith.
VERMONT—Samuel Prentiss, Benjamin Swift.
NEW YORK—Nathaniel P. Tallmadge, Silas Wright.
NEW JERSEY—Samuel L. Southard, Garret D. Wall.
PENNSYLVANIA—James Buchanan, Samuel McKean.
DELAWARE—Richard H. Bayard, Thomas Clayton.
MARYLAND—Joseph Kent, John S. Spence.
VIRGINIA—William C. Rives, John J. Roane
NORTH CAROLINA—Bedford Brown, Robert Strange.
SOUTH CAROLINA—John C. Calhoun, William C. Preston.
GEORGIA—Alfred Cuthbert, John P. King.
ALABAMA—Clement C. Clay, William R. King.
MISSISSIPPI—John Black, Robert J. Walker.
LOUISIANA—Alexander Mouton, Robert C. Nicholas.
TENNESSEE—Felix Grundy, Hugh L. White.
KENTUCKY—Henry Clay, John J. Crittenden.
ARKANSAS—William S. Fulton, Ambrose H. Sevier.
MISSOURI—Thomas H. Benton, Lewis F. Linn.
ILLINOIS—John M. Robinson, Richard M. Young.
INDIANA—Oliver H. Smith, John Tipton.
OHIO—William Allen, Thomas Morris.
MICHIGAN—Lucius Lyon, John Norvell.

MONDAY, SEPTEMBER 4, 1837.

This being the day designated in the proclamation of the President of the United States for a special meeting of both Houses of Congress, the Senate assembled in the Senate Chamber at the Capitol, at the usual hour of 12 o'clock.

Hon. RICHARD M. JOHNSON, Vice President of the United States, called the Senate to order at 12 o'clock, when forty-two Senators appeared in their seats.

Mr. KING, of Alabama, presented the credentials of Messrs. C. C. CLAY and ROBERT STRANGE, Senators as above, who took the usual oath.

Mr. RIVES presented the credentials of Mr. ROANE, Senator as above, who was also qualified.

On motion of Mr. KING, of Alabama, the Secretary of the Senate was instructed to inform the House of Representatives that a quorum of the Senate was now present, and ready to proceed to business.

Mr. WRIGHT moved that a committee be appointed to join a similar committee from the House, in order to wait upon the President of the United States, and inform him that Congress was assembled and ready to receive such communication as he might have to make; and the motion was agreed to.

The CHAIR was, on motion of Mr. KING, of Alabama, authorized to appoint the said committee; and Mr. WRIGHT and Mr. KING, of Alabama, were appointed accordingly.

On motion of Mr. LINN, the usual number of newspapers was ordered for the use of the Senators.

The Senate then, on motion, proceeded to the election of the Sergeant-at-arms and Doorkeeper to the Senate; whereupon, STEPHEN HAIGHT (the late doorkeeper) was unanimously elected, at the first balloting, Sergeant-at-arms to the Senate, in room of the late Sergeant, Mr. SHACKFORD, deceased; and at the third balloting, Mr. EDWARD WYER was elected (out of many candidates) Doorkeeper in room of Mr. HAIGHT.

And then the Senate adjourned.

TUESDAY, SEPTEMBER 5.

A message was received from the House of Representatives, through Mr. FRANKLIN, their Clerk, announcing to the Senate that a quorum of the House had assembled, had elected a Speaker, had concurred with the resolution of the Senate for appointing a committee to wait on the President of the United States, and had appointed a committee on their part.

Mr. WRIGHT, from the joint committee appointed to inform the President of the United States that a quorum of the two Houses was assembled and ready to proceed to business, reported that the committee had performed the duty assigned them, and that the President had expressed to them his intention to communicate to the two Houses, in writing, this day at 12 o'clock.

A message was accordingly received from the President of the United States, by Mr. VAN BUREN, his private secretary, and was read by the Secretary; the reading occupying about an hour and a half. (*See Appendix.*)

Mr. WRIGHT moved the printing of 5,000 copies of the message, and 1,500 of the accompanying documents.

Mr. CLAY, of Kentucky, said he rose to second the motion of the Senator from New York [Mr. WRIGHT] to print an extra number of copies of the message. He should indeed have no objection to publishing double or triple the number proposed, if it were convenient to distribute them. He had accomplished the sole purpose for which he had risen; but whilst he was up, he could not forbear saying that, after attentively listening to the reading of this message, he felt the deepest regret that the President, entertaining such views, and proposing such a plan for the relief of the country, as he had presented, had deemed it his duty to call an extra session of Congress at this inconvenient period of the year.

Mr. BUCHANAN said he did not rise to express any opinion or to enter into any discussion. "Sufficient for the day," said he, "is the evil thereof." But it was his wish to increase the number of copies to be printed from five thousand to ten. He thought the former number too small for his proportion of it to satisfy the demand of his constituents.

Mr. WRIGHT was ready to accept the proposition as a modification of his original motion, and did so.

The question on printing ten thousand was then put and carried.

On motion of Mr. GRUNDY, the Senate then adjourned.

WEDNESDAY, SEPTEMBER 6.

STANDING COMMITTEES.

Mr. HUBBARD offered a resolution proposing an alteration in the standing rules of the Senate, and asked its consideration at this time.

Mr. CLAY, of Kentucky, objecting, the resolution lies over till to-morrow.

Mr. HUBBARD moved that the Senate proceed to-morrow to the appointment of the standing committees.

Mr. CLAY said he should be very glad to learn from that part of the Senate which was capable of affording the information, whether it was intended to appoint all the standing committees, and for what purpose? It had been intimated in the message that those communications which were annually made, and which formed the basis and action of the standing committees generally, were at this time to be withheld until the usual period of the meeting of Congress. Indeed, we were told—and he thought without a sufficient regard to the rights, and he would add, what was of much importance in the present crisis of the country, the duties which Congress had now to perform—that he (the President) had called them together for a certain purpose; that he meant to limit his communications to that purpose, and dismiss us when we should have done.

Assembled as we are, (continued Mr. C.,) we have a right to look to the interests of the whole country—to the interests of all; and, for one, I must say that, although no man has come here with more reluctance than I have done, and no man here will return to his private pursuits with more pleasure and satisfaction than I shall do, yet when I regard the present general, unhappy, distressed, and embarrassed condition of the country, I should be more reluctant, whatever may have been the purposes of the President, or anybody else, to return home, until I see some broad, comprehensive, effectual plan proposed for the relief of the country.

But, sir, I have risen to inquire what is the design, what is the purpose, of appointing all the standing committees, if we are limited to one single object, and which, according to the language of the message, we are called here to deliberate upon? We know nothing of our foreign affairs; we know nothing concerning the question of the north-eastern boundary; we know nothing in regard to Texas. Then what are the purposes to be answered by appointing the Committee on Foreign Relations? All that I desire is to have light on the subject—to learn, if it be possible, the views and purposes of those into whose hands are confided the intentions of the administration, why all these committees should be appointed.

Mr. HUBBARD remarked that he regretted as deeply as the Senator from Kentucky could the existence of any cause which had made it necessary for the President to assemble Congress at this time; and he was quite sure that he had left his home with as much reluctance to perform his duty here, as that Senator, or as any other Senator. But Congress were now assembled; both Houses had been organized in the usual manner, and communications had been interchanged that the two Houses were now ready to proceed in the transaction of the public business; and, after such a meeting, what was it proper for the Senate to do? By the 33d rule, it was made their duty at the commencement of each session to appoint their standing committees. This was the law, and it had been the invariable practice of the Senate. And was there any less obligation, any less propriety, or any less importance for the Senate to appoint its usual standing committees at an extra session, than there was at an ordinary session of Congress? He did not so consider the matter. The rule itself was imperative. The course of proceeding was to his mind plain, and he had offered the resolution in accordance with his sense of duty. He was well aware, with the Senator from Kentucky, that the President had, in his public message which had been communicated to Congress, alluded mainly to but one subject, and what seemed to him to be necessarily connected therewith; and he was free to admit that that was a subject of deep and abiding importance to the interests of our whole country. But does the Senator know that the President may not, by special message during the present session, communicate to Congress other and different subjects? Certain the fact is, that the people themselves are not precluded by the message from coming here with their memorials. They have a right to present here their petitions; and would it be wise or proper for the Senate to refuse to hear, consider, and dispose of these matters in the usual manner, because this happened to be an extra session of Congress, called by the President for a particular and avowed purpose? He thought not. This session of Congress having commenced, he had offered to the Senate the resolution for the appointment of the usual committees, as the best and most legitimate mode for the disposal of the public and private business which may be presented for its consideration. He could not doubt that the great and absorbing subject referred to in the President's message would engage the unremitted attention, and would command the most faithful service of the Senate; but the all-importance of that subject, and the fact of its being exclu-

sively considered in the message, was to his mind no sufficient reason against the appointment of the standing committees. The consideration of that subject would be, and should be, the main business of the present session. He could not believe that the appointment of the committees would necessarily protract the session. After the completion of the business which had summoned Congress together, Congress would adjourn. He was as anxious as any man could be to bring this session to a speedy close, to finish the work proper to be done; and he felt assured that, by exerting their best efforts, Congress would be able at this session to accomplish some measure which would, in effect, restore confidence, and give relief to the community. He was as desirous as the Senator from Kentucky, or as any other Senator could be, to have this done, and done speedily. He had, therefore, thus early introduced the resolution for the appointment of the committees. He hoped to see this a short but a business session. It seemed to him that every consideration of policy and of duty should induce the Senate at this time to make the appointment of their committees. He hoped, therefore, that his motion would be adopted.

The motion was agreed to.

On motion of Mr. WALKER, the Senate adjourned.

THURSDAY, SEPTEMBER 7.

The resolution offered yesterday by Mr. HUBBARD, porposing to amend the 33d rule of the Senate, by the insertion of the words "Committee on Patents and the Patent Office," was, on his motion, taken up.

Mr. GRUNDY stated that the reasons which had influenced the mover of the amendment were to provide for the appointment of a committee to have especial charge of every thing relating to patents and the Patent Office; for neither branch of Congress had ever appointed a committee solely for that purpose. In the Senate, every thing connected with the subject had heretofore been referred to the Committee on the Judiciary. That committee, however, being almost always engaged with subjects of its own of importance, had frequently found it impossible to pay that attention to others which they deserved; and hence the necessity of creating a committee to take especial charge of all matters in relation to patents and the Patent Office. He hoped that the amendment would be adopted.

The question was then taken on the adoption of the resolution, and it was agreed to.

Mr. BUCHANAN presented a memorial from certain delegates of a meeting held at Erie, praying for an appropriation to construct a McAdamized turnpike road from the Cumberland road to lake Erie.

Mr. B. observed that he did not believe that it was the intention of Congress, at this time, to go into the general transaction of business. Should it be their disposition to do so, (which he trusted might not be the case,) he would ask to have the memorial referred to an appropriate committee. However, as he had received the memorial, it was his duty to present it. He then moved that it be laid on the table and printed; which was agreed to.

On motion of Mr. HUBBARD, the Senate then proceeded to ballot for the chairmen of the several standing committees. After the balloting had been some time proceeded in,

Mr. CLAY, of Kentucky, said that, as the complexion of the Senate was well known, he thought this waste of time might be avoided by leaving it, on the present occasion, as had been the practice at some times formerly, to the VICE PRESIDENT to appoint the committees.

After some conversation, in which Mr. GRUNDY, Mr. KING, of Alabama, and Mr. HUBBARD, participated, Mr. CLAY's proposition was agreed to without dissent; and by general consent the VICE PRESIDENT was authorized to appoint the several committees, and time for this purpose given till to-morrow.

Mr. WRIGHT moved that three thousand extra copies of the report of the Secretary of the Treasury, transmitted with the message of the President of the United States, be printed in lieu of the number first ordered. Agreed to.

The Senate then, on motion of Mr. KING, of Alabama, went into secret session on executive business; after which, on the doors being opened, the Senate adjourned.

FRIDAY, SEPTEMBER 8.

The CHAIR announced that, in pursuance of the authority vested in him yesterday by the Senate, he had appointed the following members of the various standing committees of the Senate:

On Foreign Relations.—Mr. Buchanan, chairman, Mr. Tallmadge, Mr. King, of Georgia, Mr. Clay, of Kentucky, Mr. Rives.

On Finance.—Mr. Wright, chairman, Mr. Webster, Mr. Nicholas, Mr. Benton, Mr. Hubbard.

On Commerce.—Mr. King, of Alabama, chairman, Mr. Davis, Mr. Brown, Mr. Ruggles, Mr. Norvell.

On Manufactures.—Mr. Niles, chairman, Mr. Buchanan, Mr. Preston, Mr. Strange, Mr. Pierce.

On Agriculture.—Mr. Smith, of Connecticut, chairman, Mr. Spence, Mr. Linn, Mr. McKean, Mr. Black.

On Military Affairs.—Mr. Benton, chairman, Mr. Preston, Mr. Tipton, Mr. Wall, Mr. Allen.

On the Militia.—Mr. Wall, chairman, Mr. Swift, Mr Clay, of Alabama, Mr. Mouton, Mr. Smith, of Indiana.

On Naval Affairs.—Mr. Rives, chairman, Mr. Southard, Mr. Tallmadge, Mr. Cuthbert, Mr. Williams.

On Public Lands.—Mr. Walker, chairman, Mr. Fulton, Mr. Clay, of Alabama, Mr. Roane, Mr. Prentiss.

On Private Land Claims.—Mr. Linn, chairman, Mr. Sevier, Mr. Bayard, Mr. Mouton, Mr. Lyon.

On Indian Affairs.—Mr. White, chairman, Mr. Sevier, Mr. Tipton, Mr. Linn, Mr. Swift.

On Claims.—Mr. Hubbard, chairman, Mr. Tipton, Mr. Crittenden, Mr. Strange, Mr. Young.

On Revolutionary Claims.—Mr. Brown, chairman, Mr. White, Mr. Crittenden, Mr. Norvell, Mr. Smith, of Con.

On the Judiciary.—Mr. Grundy, chairman, Mr. Morris, Mr. King, of Georgia, Mr. Wall, Mr. Clayton.

On the Post Office and Post Roads.—Mr. Robinson, chairman, Mr. Grundy, Mr. Knight, Mr. Brown, Mr. Niles.

On Roads and Canals.—Mr. Tipton, chairman, Mr. McKean, Mr. Nicholas, Mr. Young, Mr. Williams.

On Pensions.—Mr. Morris, chairman, Mr. Sevier, Mr. Prentiss, Mr. Pierce, Mr. Roane.

On the District of Columbia.—Mr. Kent, chairman, Mr. King, of Ala., Mr. Nicholas, Mr. Roane, Mr. Allen.

On Patents and the Patent Office.—Mr. Ruggles, chairman, Mr. Strange, Mr. Bayard, Mr. Prentiss, Mr. Robinson.

On the Contingent Expenses of the Senate.—Mr. McKean, chairman, Mr. Fulton, Mr. Black.

On Engrossed Bills.—Mr. Clay, of Ala., Mr. Smith, of Indiana, Mr. Norvell.

On Enrolled Bills.—Mr. Smith, of Con., Mr. Lyon, Mr. Allen.

On motion of Mr. WRIGHT, so much of the message of the President and of the Secretary of the Treasury's report as relates to the subject of finance, was referred to the Committee on Finance.

And, on motion of Mr. GRUNDY, the appropriate parts of the same documents were referred to the Committee on the Judiciary.

On motion of Mr. GRUNDY, it was

Resolved, That when the Senate adjourn, it adjourn to meet on Monday next.

After executive business, the Senate adjourned till Monday.

MONDAY, SEPTEMBER 11.

The CHAIR stated the order of the day to be the election of a Secretary of the Senate; whereupon, the Senate proceeded to ballot for Secretary, and at the first ballot ASBURY DICKINS, Esq. received 39 votes out of 40, and was declared duly elected.

On motion of Mr. GRUNDY, the Senate then proceeded to the election of Chaplain; when, after four ballotings, the number of candidates being twenty-one, the Rev. Mr. SLICER, of the Methodist Church, Georgetown, received a majority of the votes, and was declared duly elected.

REPORT FROM THE COMMITTEE ON FINANCE.

Mr. WRIGHT, chairman of the Committee on Finance, to which was referred that part of the message of the President of the United States relating to the distribution of the surplus revenue, and other matters, reported a bill for the postponement of the fourth instalment of the deposite to the States till further provision therefor by law. The following is the bill:

A bill to postpone the fourth instalment of deposite with the States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the transfer of the fourth instalment of deposites directed to be made with the States under the thirteenth section of the act of June 23d, 1836, be, and the same is hereby, postponed until further provision by law.

Mr. WRIGHT said that, as the time the committee had was but short, he should now merely report the above bill, which he would move to be read a first time, and ordered to a second reading, with a view to take it up to-morrow; when he expected the committee would be able to report further.

Mr. CALHOUN said he hoped this bill would not be pressed so rapidly. It was due to the Senate to have the whole subject before them, and he therefore hoped that this bill would be suffered to rest until it should be seen what other measures the committee might propose.

Mr. WEBSTER said he rose to express a wish that, whether the measures proposed were to be considered separately, or whether they were to be considered all together, they might be considered and decided upon with all the promptness and despatch consistent with considerate legislation. It was not his good fortune to concur with the committee, nor did he think the measure suited to the exigencies and condition of the country; but, whatever measure might be introduced here for the purpose of meeting the existing exigency of the Government, and the wide distress of the country, should receive no hindrance, obstruction, or delay from him.

Mr. W. would content himself with a short statement of his views, when the measure came up; and he should leave it in the hands of the majority known to be favorable to the existing administration, both in the Senate and in the House; but he would beseech those majorities to pronounce their judgment in form of law. They have the power, and they have the responsibility also. I (said Mr. W.) shall do nothing to obstruct them in the prompt exercise of their power; nor will I do any thing tending to diminish their responsibility. He was connected with the manufacturing and with the mercantile interest, and thought he saw oppression on the labor and industry of the country, which required relief. He saw things connected with the Government which demanded from Government an efficient as well as a prompt relief. He thought it not necessary that all these measures should be considered together; but the earlier they were considered the better.

Mr. CALHOUN explained that he did not desire any delay; on the contrary, he agreed with the Senator from Massachusetts [Mr. WEBSTER] in the necessity of an early and full decision on the several points recommended.

The bill, as reported by Mr. WRIGHT, was then ordered to a second reading.

Mr. HUBBARD presented three private petitions, and moved their reference to the Committee on Naval Affairs.

Mr. CALHOUN adverted to the importance of despatching the special business now before Congress, and expressed the hope that all ordinary business would be postponed till that purpose should be accomplished.

Mr. HUBBARD explained the nature of the petitions which he had presented, and remarked that they might be referred without interrupting more important business, and might be acted upon either at this, or the ensuing session of Congress.

Mr. BUCHANAN said he entirely concurred with the Senators from Massachusetts and South Carolina in regard to the course which business ought to take at the present session of Congress. He believed it was not expected by the country, and it would be inconvenient to both Houses of Congress, to continue this session up to the regular time for the next. If petitions should be sent to the standing committees, it would be regarded as conclusive evidence of a design to proceed to ordinary business; and if this should be done, Congress would be here till June. Mr. B. would not object to consider any special and important matters at this session, but he was in favor of postponing the ordinary business till the usual time; and in order to try what course the Senate meant to pursue, he moved to lay the petitions on the table; and it was so ordered.

Mr. CLAY, of Alabama, presented the following resolution, which lies over one day:

Resolved, That the Committee on the Judiciary be instructed to inquire into the expediency of restoring to the district court of the United States for the northern district of Alabama its former jurisdiction.

Mr. KING, of Alabama, said he was in favor of considering special matters of moment at this session; and the subject of this resolution he considered both important and demanding to be acted upon as early as possible. It was necessary to the proper administration of justice.

Mr. CLAY also offered the following resolution, which he represented as important, and yet more pressing; and he therefore asked that it might be now considered:

Resolved, That the Committee on the Judiciary be instructed to inquire into the expediency of altering the time for holding the United States courts of the ninth judicial circuit.

This resolution was accordingly adopted.

On motion of Mr. PRESTON, the Senate adjourned.

TUESDAY, SEPTEMBER 12.

DISTRICT COURTS.

The following resolution offered yesterday by Mr. CLAY, of Alabama, was taken up for consideration:

Resolved, That the Committee on the Judiciary be instructed to inquire into the expediency of restoring to the district court of the United States for the northern district of Alabama its former jurisdiction.

Mr. CLAY explained his reasons, in brief, for offering the resolution at the present time. It was a matter, it was true, of mere local consideration; yet he presumed it would not encounter objection from any quarter. The object of the change was to expedite the public business, much inconvenience and delay having resulted from the present time of holding the court.

Mr. GRUNDY asked, if the change were made as proposed by the gentleman from Alabama, whether the desired object would be effected. He recollected that, some fifteen years since, an attempt was made to introduce something like a uniform system in relation to these matters. He would say, if the subject were referred, the committee would endeavor to do what was right.

Mr. BUCHANAN submitted to the gentleman whether any inconvenience would be sustained if the subject were deferred until the next session.

Mr. CLAY explained that the business would be delayed for that length of time.

Mr. SEVIER begged to offer an amendment, so as to embrace the State of Arkansas, and to insert, after the word Alabama, "and to the district court of the State of Arkansas." Mr. S. explained the necessity of the adoption of this amendment, on the ground of the delay that was occasioned. In that country there were frequent murders of the whites by the Indians, and of the Indians by the whites; and in all cases they had to remain twelve months in prison before trial.

The amendment was adopted, and the resolution as amended agreed to.

FOURTH INSTALMENT.

The bill to postpone the fourth instalment of deposite with the States being taken up—

Mr. WRIGHT said that, before the bill was read a second time, he would ask the indulgence of the Senate to make a short explanation in regard to the Committee on Finance. Yesterday morning, when the bill was reported from that committee, he took the opportunity of stating that, in all probability, they would report further this morning. They, however, found themselves unable to do so, partly in consequence of being unable to prepare the labored details before them, and having found at their meeting this morning two members of the committee unexpectedly absent. The one, as he was informed since he came into the Senate, was called away by business, over which he had no control; and the other was so indisposed as to be unable to attend either the Senate or the committee. He mentioned these facts as an apology for not fulfilling his promise. He felt a confident hope, from the best judgment he could form, that the committee would be able to report in full on Thursday next.

The bill was then taken up, read a second time, and,

On motion of Mr. HUBBARD, the further consideration of it was postponed till to-morrow.

On motion of Mr. BUCHANAN, the Senate spent some time in executive business, and then adjourned.

WEDNESDAY, SEPTEMBER 13.

Mr. WRIGHT, from the Committee on Finance, reported a bill authorizing the issue of Treasury notes. Read a first time, and ordered to a second reading.

[This bill authorizes the issue of Treasury notes to an amount not exceeding —— millions of dollars, and of denominations not less than $100, and provides that the notes be redeemed by the United States, at the Treasury, after one year from their date, to bear interest for the said term; rate of interest to be fixed by the Secretary, not to exceed six per cent. per annum; the faith of the United States to be solemnly pledged for the redemption of said notes. Also, that the notes be signed by the Treasurer of the United States, and countersigned by the Register of the Treasury; separate accounts of the number signed to be kept by each officer as a mutual check. These officers are by this section also authorized to employ such additional clerks as these duties may render necessary; their salary to be fixed by the Secretary of the Treasury.

Section 4th authorizes the Secretary to issue these notes to all creditors of the United States who choose to receive them at par, and also to borrow money on the credit of such notes.

Section 6th enacts that such notes shall everywhere be received in payment of all duties, taxes, &c., and for public lands.

Section 9th makes it felony to counterfeit said notes, and fixes the penalty on conviction.]

Mr. WRIGHT, from the same committee, reported a bill authorizing the postponement of the payment of duty bonds. Read once, and ordered to a second reading.

[This bill provides that the extension of credit for duties now outstanding shall be six months from the time the original bond became due; and making the condition in each case to depend on the same conditions as to additional security, interest, &c. prescribed by the Treasury Department to the extension of revenue bonds since May; and not to include any bonds where the parties have not given additional security, or made part payment, or are (by the proper officers of the Government) considered insolvent or unsafe security for their bonds.

Section 2d provides an additional credit of six months granted on all bonds which may be given during the period of one year from and after the 1st of October, 1837. Also, that, where the security in any bond postponed is satisfactory, the principal and sureties shall not be disabled from being the same for other bonds, though the first bond be not yet paid.]

Mr. WRIGHT also reported from the same committee a bill adjusting the remaining claims on the late deposite banks; which was also read, and ordered to a second reading.

[Section 1st provides that the Secretary of the Treasury be authorized to withdraw the public moneys remaining in any of the late deposite banks, in as convenient a manner to them as may be suitable to the interests of Government. No bank having met, or which shall meet, the requisitions of the Department, to pay any further interest than that required by the deposite act of 23d June, 1836.

Section 2d provides that, in case of neglect or refusal on the part of the banks to comply with the requisitions of the Secretary of the Treasury, then such banks shall be sued at law, unless bond with security be given, providing for payment in three instalments: the first instalment after two months from the passage of this act; the second, after five months, and the remainder after eight months from the same period; interest being paid at the rate of six per cent. per annum from the time of default, and damages to be paid accruing from protests or other causes.

FOURTH INSTALMENT.

The special order of the day, being the bill to postpone the fourth instalment of the deposite to the States—

Mr. CALHOUN said he hoped that this bill would not now be acted upon. It was his wish that no action should be had on any of these measures proposed by the Committee on Finance until a report had been made. He hoped, therefore, that the chairman of the committee [Mr. WRIGHT] would consent to a postponement until all the contemplated measures should have been reported.

Mr. WRIGHT said he had no strong desire upon the subject, other than to expedite, as far as was possible, the business before the Senate and Congress. He was not aware that any bills yet to be reported by the committee would affect the question on the present bill; he, however, felt no strong desire to press this bill in particular, as he hoped the committee would complete the business before it to-morrow.

On motion of Mr. CALHOUN, the bill was then postponed until to-morrow; and

The Senate adjourned.

THURSDAY, SEPTEMBER 14.

FINANCIAL AFFAIRS.

Mr. WRIGHT, from the Committee on Finance, reported the following bills, which were severally read and ordered to a second reading:

1. A bill to authorize goods and merchandise to be deposited in the public stores.

[This bill authorizes the deposite of goods in the public

stores, under the requisite precautions, allowing them to be transported to other districts, or to be exported, on certain conditions; to be sold, if requisite, at the end of three years, so far as to pay the duties, storage, and other necessary expenses.]

2. A bill imposing additional duties, as depositaries, in certain cases, on public officers.

[This bill provides for the receiving and safekeeping of the public revenue, by the various receiving officers, postmasters, &c., until regularly called for by the Department. The bill contains many details, especially of precaution, to secure the faithfulness of officers having the custody of the public money.]

3. A bill to revoke the charters of such banks in the District of Columbia as shall not resume specie payments in a specified time; and for the suppression of small notes in the District.

[This bill requires the payment of specie on all notes of and under ten dollars, in sixty days from the date of the bill; and on all notes of a larger denomination, in six months. It provides for the appointment of three public commissioners, in case of failure; not interrupting, however, the due course of law. It forbids the issuing notes under five dollars; and requires that within thirty days all notes of individuals and private corporations, under five dollars, shall be neither issued nor passed, under the penalty of a fine of not more than fifty dollars for each offence—one-half to the prosecutor. The banks to forfeit their charters for non-compliance with the provisions of this bill.]

Mr. HUBBARD offered the following resolution, which lies over one day:

Resolved, That after this day the daily meeting of the Senate shall be at ten o'clock, instead of twelve, till otherwise ordered.

FOURTH INSTALMENT.

The Senate proceeded to the consideration of the special order, the bill to postpone the payment of the fourth instalment of the deposites to the States.

Mr. RIVES said he understood that this day the Committee on Finance expected to make a full report on the subjects which had been referred to them. But there was one subject most interesting to the country, on which they had not reported at all; they had reported no bill to designate the kinds of funds in which the public dues are to be received. As Mr. R. had understood it to be the general sense of the Senate that no action should be had on any measure till all should be reported, he would now move that the Senate adjourn.

Mr. WRIGHT said the Committee on Finance had taken up the message of the President and the report of the Secretary of the Treasury, had given them a full consideration, and had now reported all the measures which they proposed to report, or which they deemed it their duty to report. They had considered the subject mentioned by the Senator from Virginia, and had concluded to let the law on that subject remain as it is.

Mr. RIVES said, that, not having an opportunity to know the views of the committee, he had taken it for granted that they would report on every subject embraced in the message and Treasury report, both of which, he believed, had suggested that it ought to be determined in what kinds of funds the revenue should be collected. It was now announced by the chairman that no communication from the committee would be made on the subject. Mr. R. would therefore proceed on the assumption that the committee intended to leave the laws on that subject as they now are; and, that being the case, and Mr. R. believing that all the measures proposed and to be proposed would have a mutual bearing and dependence on each other; and believing it to be infinitely more important to the country that what Congress should do should be well done, rather than done quickly, Mr. R. moved that when the Senate adjourned it should adjourn to meet on Monday next, that all the bills reported on the subject might be examined, compared, and carefully considered by members before the Senate came to act on them. Mr. R. said it was as inconvenient for him to remain here as it would be for any one; but whatever the inconvenience, he preferred that all measures should be duly and amply considered.

Mr. NILES said that he regretted the honorable Senator from Virginia [Mr. RIVES] should have felt it his duty to ask for a further delay of the business before the Senate, by a motion for adjournment until next week. When the first bill was reported by the Committee on Finance, several days since, the Senator from South Carolina [Mr. CALHOUN] suggested that it would be inexpedient to act on that, or any single measure, until we had before us all the bills which were to be expected from that committee, relating to important subjects, presented in the message of the President. The necessity of this course, although he believed doubted by some, was generally acquiesced in. Since then, the committee have reported a number of bills for carrying out all the great measures recommended in the message, which they deem it important to be acted upon during the present session; and the chairman has informed us that they do not intend to report any more bills. If his distinguished friend from Virginia, or any other Senator, thought that the bills reported did not cover the whole ground, they would of course have an opportunity to supply the deficiency.

But (said Mr. N.) the whole subjects are before us; if not in the bills reported, they are submitted in the message. Our whole work is before us; we now see what is to be done, and he thought that it was our duty to enter upon it without further delay. We are now in the last half of the second week, and have done nothing; and it is proposed to adjourn over to the third week before we enter upon the business for which we have been convened. He did not complain of the delay so far, but on the contrary would say (for he thought it due to them) that the committee to whom the grave and important subjects contained in the message had been submitted had been remarkably faithful and industrious in the discharge of their duties. They had performed their service, and it now remained for us to enter upon ours, which he hoped would be done without further delay. Congress had been assembled at an extraordinary conjuncture to perform a special service, and he hoped, now we had the work before us, that we should enter upon it, and continue our labors with diligence and perseverance, so as to despatch the business, and close the session as soon as was consistent with the full deliberation and reasonable discussion due to the important subjects before us.

But we are told by the honorable Senator from Virginia that the several subjects are so connected, that we cannot with propriety act upon one, without an opportunity to examine and compare them, and make up our minds upon the whole. He wishes time for examination, reflection, and consultation. But he (Mr. N.) thought there had already been sufficient time for these purposes, and he did not consider that there was much connexion between the bill for postponing the fourth deposite to the States, which would be acted upon to-day, and the several bills that the honorable chairman of the Committee on Finance had just reported.

Sir, (said Mr. N.) we have been called here at an extraordinary emergency, when the business of the country was deranged, and the public mind in an unsettled and feverish state; the expectations of the people are excited; the eyes of the whole country are upon us. At such a time, and under such circumstances, Congress cannot remain in session without a prodigious influence for good or for evil;

and he greatly feared it would be the latter. A protracted session, he was persuaded, would tend to agitate and disturb the public mind, already sufficiently unsettled, that could hardly fail of increasing existing difficulties, which depend much, if not mainly, on a general want of confidence. Would gentlemen prolong the present, so as to run it into the regular annual session? He hoped no one was disposed to do this; nothing, in his opinion, could have a more injurious effect. He was sensible of the great and momentous importance of the subjects before Congress, and was as desirous as any one could be that time should be allowed for their full consideration and reasonable discussion; but he believed it due to the country that we enter upon this at once, and continue our labors with diligence, so as to bring the session to a close as soon as possible. He therefore hoped that the Senate would now take up the bill for the postponement of the fourth instalment to the States, which was the order of the day.

Mr. WRIGHT said it was but justice to himself and the committee to say that it was not their purpose to press any measure unkindly, unnecessarily, or prematurely upon the Senate. And even if such had been their disposition, it was not in their power. But Mr. W. had been requested by the members of the committee to say that the committee had already reported all that they expected to report on the subject. The committee had had free and full consultations with the Secretary of the Treasury on the subjects referred to in the message and the report, and had now submitted to the Senate all the measures which it appeared to them proper to propose. The facts before them showed a high necessity of speedy action, on the two first bills at least, with which the latter bills had no intimate connexion. Mr. W. would, therefore, ask that the first (the postponement of the deposite) bill might be considered this morning, and to this effect several Senators had expressed to him their wishes. Under these evidences of such a disposition in the body, no one could suppose that he (Mr. W.) had any desire unkindly to press the action of the Senate upon any subject.

Mr. RIVES said he did not attribute any unkindness to the Senator. He knew too well his accustomed parliamentary courtesy to suspect him of such a disposition. But that honorable member, as well as the honorable member from Connecticut, must perceive that there were other members whose situation was materially different from theirs. They from the first had free access to all the documents on the subject, and the advantage of free communication with the head of the Treasury Department. But such was not the case with all the members, and it was not so with himself. He and others had not been aware of the character of the President's message till it was communicated; and they had not prepared themselves to act on an assumption of what it might be. Mr. R. therefore now asked the privilege of time to consider the subject for himself; and not for the purpose, as had been intimated by the Senator from Connecticut, of private consultation. Mr. R. was determined to act on his own responsibility, without private consultation; and if there had been, or was to be, any such consultation, it was not by him. The expectations of the constituents of the Senator from Connecticut were different from those of Mr. R.'s constituents—that they should merely set the machine of Government in operation, and then go home. Mr. R. was not sent here for the relief of the Government merely, but for the relief of the people first. And especially Mr. R. did not wish to cast the slightest reproach on the Committee on Finance; but they would permit him to say that he did not perceive, in the measures which the committee had proposed, any thing to relieve the sufferings of the community. They were merely convenient for the Government, and were so far important. But Mr. R. felt bound to his constituents to provide some remedy, if any could be found, for their distresses, and those of the community at large; and there was one which Mr. R. thought very obvious. Restore but confidence through the country, and it would again at once be erect and prosperous. But where was any thing from the committee that could have any such tendency?

Such a measure Mr. R. was desirous to see; and if it should appear from no other quarter, he would take it upon himself, humble as he was, to offer some measure having a tendency to produce that result, and relieve the distresses of his bleeding country. Gentlemen had compared the economy of a short session with the great interests of the country. But Mr. R. thought, if economy alone were to be considered, it would be more economical, and save the mileage of a double session, to hold but one session instead of two, and to go at once upon the general business of the nation. Mr. R. had no disposition to remain here; his private interests demanded that he should be at home. But he would sacrifice every such interest, and every personal convenience, on the altar of his country. Now, if ever, was the time to restore confidence; and now, while the elements of national relief and prosperity were lying dormant before them, and only requiring the breath of Congress to put them in action, he called upon gentlemen not merely to think of providing facility for the operations of Government, but to look to the great interests of the people.

Mr. R. believed something might be done for the good of the community. If the Government could do harm, it could also do good. He meant no reproaches—all Governments were capable of doing harm, as well as good; and it was peculiarly incumbent on ours, at the present crisis, to do what it could for the good of the country, and to the full extent of its power. But they ought not to act on trust. However others might act, Mr. R. could not act to his satisfaction without examination by himself. He repeated, that he deemed it infinitely more important for them to act well than hastily. He might not be so happy as to comprehend these subjects as readily as others; but he deeply felt their importance, both to the present welfare, and to all the future destinies of the country.

Whether the session should be long or short—whether continued to the next or not—depended on the wisdom and responsibility of Congress. But if these great and important subjects could not be well and deliberately disposed of before the first of December, Mr. R. would, by all means, remain; and he felt now ready to take the oath of the members of the French convention, not to disperse till the country should be relieved. As yet, Mr. R. had not seen one measure proposed for this purpose.

Mr. CALHOUN was deeply impressed with the magnitude and danger of the present emergency. It, however, had not taken him by surprise, nor was it unlooked for by him. In his humble opinion, of the many difficulties through which the country had passed within the last five-and-twenty years, this was by far the most distressing and overwhelming. Seeing and believing this, he had come here with a full and fixed determination to do his duty, despite of all personal considerations and party feeling; for, when his country was in danger, he knew but one impulse, and that was to perform his duty. He had been looking forward with the most intense anxiety for the remedy which would be proposed. Fixing two great points in his mind, he had observed the most strict reserve until he saw the plan of the administration. Having now seen it, he felt that the only feature in the message, and in the report of the Secretary of the Treasury, which gave character to the present bill, was to be abandoned. For himself, while he was ready to act on this understanding, he must say that, with regard to the other measures, he regarded them as nothing—as perfectly immaterial. And he would tell gentlemen that this was not a crisis for weak

action. They had a difficult scene to go through, and, if they did not meet it with promptness and boldness, they would find it no easy matter to overcome. He professed himself prepared to act immediately on the bill before the Senate.

Mr. WEBSTER said he felt himself bound, in pursuance of his pledge, to give as early an opportunity of considering the measures proposed by the Committee on Finance as was consistent with considerate legislative deliberation. That which governed him in this case, to a great degree, was the apprehension which he felt (perhaps it might be erroneous and unfounded) that no measures were likely to be offered to Congress, under the recommendation of the message, or Treasury report, which would meet with his approbation.

In the mean time, Mr. W. was as ready as the Senator from Virginia [Mr. RIVES] to stay here till May next, if necessary; but whatever procrastination was indulged in here, was a protraction of the evil oppressing the country. He hoped, therefore, the Senator from Virginia would agree to consent that the measure first proposed by the committee be now brought before the Senate, and be now examined, because there are other measures dependent upon it. The first step, as it seemed to him (Mr. W.) the most proper to be decided upon, was, whether the payment of the fourth instalment should be postponed; because the period was now near at hand when that instalment was to have been paid. This question ought to be settled one way or the other. They were bound, in consideration of the great suffering and distress now oppressing the country, to make trial of some measures.

Mr. RIVES said that, as it appeared to him there was a disposition in the Senate to take up this bill, and as he understood the Senator from Massachusetts [Mr. WEBSTER] felt a personal interest in its immediate consideration—intending to deliver his sentiments on it to-day—he (Mr. R.) would withdraw his motion. It was, however, his decided opinion that the action demanded of them on all these measures was not simply and merely to put the Government in motion again, but to provide effectual and immediate relief for the people, in preference to affording aid in the first place to Government. This object he (Mr. R.) thought not very likely to be promoted by taking up this bill; but, in compliance with the general opinion of the Senate, he should withdraw his motion.

Mr. WEBSTER then rose, and said that the importance of the present crisis and the urgency of this occasion was such as to lead him earnestly to desire that some measures of adequate relief might come from the quarter which alone had the power to effect any thing, by the majority it commanded. Much as I differ from them, (said Mr. W.) I would be glad to accept any measure of substantial relief which they might bring forward. I think, sir, I see such a necessity for relief as never before, within my recollection, has existed in this country, and I regret to be obliged to say that the measures proposed by the President, in his message to Congress, and reiterated by the Secretary of the Treasury, in his report to the same body, only regard one object, and are, in their tendency, only directed to one branch of partial relief. The evils, however, under which the community now suffers, (said Mr. W.) though related, and of the same family, are yet capable of distinct consideration. In the first place, there are the wants of the Treasury, arising from the stoppage of payments and the falling off of the revenue. This is an exigency requiring the consideration of Congress; it is an evil threatening to suspend the functions of at least one department of the Government, unless it be remedied. Another and a greater evil is, the prostration of credit—the interruption brought upon all business transactions, arising from the suspension of all the local banks throughout the country, with some few and trifling exceptions. Hence has proceeded a prostration of the local currency, and a serious obstruction and difficulty thrown in the way of buying and selling. A third want is, the want of an accredited paper medium, equal to specie, having equal credit over all parts of the country, capable of serving for the payment of debts and carrying on the internal business of the country throughout and between the different and distant sections of this great Union. These three evils, though they are co-existent and cognate in their being, cannot be met by the same measures of relief. If relief is given to the one, it does not follow that you will relieve the others; if you replenish the Treasury, and thus bring a remedy to that evil, this brings no relief to the disordered currency. And again: if the local currency is relieved, it does not supply the other want, namely, that of a universally accredited medium.

It has, no doubt, struck the country generally that the most important objection to the message is, that it says nothing about relief to the country, directly and mainly; the whole amount of the proposition it contains relates to the Government itself; the interest of the community is treated as collateral, incidental, and contingent. So in the communication made by the Secretary of the Treasury, the state of the currency—the condition in which the commerce and trade of the country now are—is not looked at as a prominent and material object. The Secretary's report, as well as the message itself, exclusively regards the interest of the Government, forgetting or passing by the people. The outpourings of the Secretary, which are very considerable in quantity, are under seven heads—the exact number of the seven vials of which we read. But the contents of none of these are concocted or prepared in reference to the benefit of the community; all the medicine is intended for the Government Treasury, and there is none for the sickness and disease of society, except collaterally, remotely, and by-the-by. It is, however, to the credit of the President that he has given, in an unequivocal and intelligible manner, his reasons for not recommending a plan for the relief of the country; and they are, that, according to his view, it is not within the constitutional province of Government. I confess (said Mr. W.) this declaration is to me quite astounding, and I cannot but think that, when it comes to be considered, it will produce a shock upon the whole country. This avowed disregard of the public distress, upon the ground of alleged want of power; this exclusive concern for the interest of Government and revenue; this broad line of distinction, now, for the first time, drawn between the interests of the Government and the interests of the people, must certainly present a new era in our politics. For one, (said Mr. W.) I consider Government as but a mere agency; it acts not for itself, but for the country; the whole end and design of its being is to promote the general interests of the community. Peculiar interests, selfish interests, exclusive regard for itself, are wholly incompatible with the objects of its institution, and convert it from its true character, as an agency for the people, into a separate dominant power, with purposes and objects exclusively its own.

Holding, Mr. President, opinions on this subject, and being prepared to stand by and maintain them, I am certainly rejoiced at the clear shape which the question has at last assumed. Now, he that runs may read; there are none but can see what the question is: is there any duty incumbent on this Government to superintend the actual currency of the country? has it any thing to do beyond the regulation of the gold and silver coin? In that state of mixed currency which existed when the constitution was formed, and which has existed ever since, is it or is it not a part of the duty of the Government to exercise a supervisory care and concern over that which constitutes by far the greater part of that currency?

In other words, may this Government abandon to the States and to the local banks, without control or supervi-

sion, the unrestrained issue of paper for circulation, without any attempt on its own part to establish a paper medium which shall be equivalent to specie, and universally accredited all over the country? Or, Mr. President, to put the question in still other words: since this Government has the regulation of trade, not only between the United States and foreign states, but between the several States themselves, has it nevertheless no power over that which is the most important and essential agent or instrument of trade—the actual circulating medium? Now, Mr. President, on these questions, as already said, I entertain sentiments wholly different from those which the message expresses.

It is, (said Mr. W.) in my view, an imperative duty imposed upon this Government by the constitution, to exercise a supervisory care and control over all that is in the country assuming the nature of a currency, whether it be metal, or whether it be paper. All the coinage of the country is placed in the power of the Federal Government; no State, by its stamp, can give value to a brass farthing. The power to regulate trade and commerce between the United States and foreign or Indian nations, and also between the respective States themselves, is expressly conferred by the constitution upon the General Government. Now, it is clear that the power to regulate commerce between the States carries with it—not impliedly, but necessarily and directly—a full power of regulating the essential element of commerce, viz. the currency of the country—the money, which constitutes the life and soul of commerce. We live in an age when paper money is an essential element in all trade between the States; its use is inseparably connected with all commercial transactions. That it is so, is now evident, since by the suspension of those institutions from which this kind of money emanates, all business is comparatively at a stand. Now, sir, (said Mr. W.) what I maintain is simply this: that it surely is the duty of somebody to take care of the currency of the country; it is a duty imposed upon some power in this country, as is done in every other civilized nation in the world.

I repeat, sir, that it is the duty of some Government or other to supervise the currency. Surely, if we have a paper medium in the country, it ought only to exist under the sanction and supervision of the Government of the country. Now, sir, if the General Government does not exercise this supervision, who else, I should like to know, is to do it? Who supposes that it belongs to any of the State Governments, for example, to provide for or regulate the currency between New Orleans and New York?

The idea has been thrown out that it is not the duty of the Government to make provision for domestic exchanges, and the practice of other Governments has been referred to; but, I think, in this particular a great mistake has been committed. It is certainly far otherwise in England: she provides for them most admirably, though by means not, perhaps, altogether in our power. She and other nations, however, provide for them; and it is plain and obvious that, if we are to have a paper medium of general credit in this country, it must be under the sanction and supervision of the Government. Such a currency is itself a proper provision for exchanges. If there be a paper medium always equivalent to coin, and of equal credit in every part of the country, this itself becomes a most important instrument of exchange. Currency and exchange thus become united; in providing for one, Government provides for the other. If the Government will do its duty on the great subject of the currency, the mercantile and industrious classes will feel the benefit through all the operations of exchange. No doubt some modes of establishing such a currency may be more favorable to exchange than others; but by whatever mode established, such a currency must be useful to a great extent. The question, therefore, comes to this: whether we are to have such a medium. I understand there are gentlemen who are opposed to all paper money, who would have no medium whatever in circulation but gold and silver. Now this, at all events, is an intelligible proposition; but as to those who say that there may be a paper medium, and yet that there shall be no such medium universally receivable, and of general credit, however honest the purposes of such gentlemen may be, I cannot perceive the sanity of such views; I cannot comprehend the utility of their intentions; I can have no faith, sir, in any such systems. Now I would ask this plain question: whether any one imagines that all the duty of Government, in respect to the currency, is comprised in merely taking care that the gold and silver coin be not debased? If this be all its duty, that duty is performed, for there is no debasement of them; they are good and sound. If this is all the duty of Government, it has done its duty. But if Government is bound to regulate commerce and trade, and, consequently, to exercise oversight and care over that which is the essential element of all the transactions of commerce, then Government has done nothing.

I shall not, however, (said Mr. W.) enter into this question to-day, nor perhaps on any early occasion; my opinions upon it are all well known; and I leave it with great confidence to the judgment of the country, only expressing my strong conviction that, until the people do make up their minds, and cause the result of their conclusions to be carried into effect by their representatives, there will be nothing but agitation and uncertainty, confusion and distress, in the commerce and trade of the country.

I shall now (continued Mr. W.) confine myself to a few remarks on the bill before us, and not detain the Senate longer than will be strictly necessary to give a plain statement of my opinion.

This measure is proposed in order to provide for the wants of the Government. I agree that this is a necessary object; but the question is, whether this bill is the proper mode of making such a provision. I do not think it is, though others may think differently. If this is indeed the best mode, I should wish to see it carried into execution, for relief is wanted both by the Treasury and by the country, but first and chiefly by the country.

I do not say that by the law providing for this deposite the States have any fixed right to it; I prefer to put the matter entirely on the footing of convenience and expediency; and when it is considered what expectations have been raised—that this money has even been already disposed of in advance by the several States for different purposes, such as internal improvements, education, and other great objects—it becomes a question of expediency whether it would not be better to supply the wants of the Treasury by other means.

Another consideration of great importance in my view is this: There are already many disturbing causes in operation, agitating the transactions of society in all the various ramifications of business and commerce. Now, I would ask, sir, is it advisable, is it wise, is it even politic, to introduce, at such a time as this, another great disturbing cause, producing a reversed action, altering the destiny of this money, overthrowing contracts now entered into, disappointing expectations raised, disturbing, unsettling, and deranging still more the already deranged business transactions of the whole country? I would ask, is it worth while to do this? I think not.

We are to consider that this money, according to the provisions of the existing law, is to go equally among all the States, and among all the people; and the wants of the Treasury must be supplied, if supplies be necessary, equally by all the people. It is not a question, therefore, whether some shall have money and others shall make good the deficiency. All partake in the distribution, and all will contribute to the supply. So that it is a mere question of convenience, and, in my opinion, it is decided-

ly most convenient, on all accounts, that this instalment should follow its present destination, and the necessities of the Treasury be provided for by other means.

Again, if you pass this bill, what is it? It is a mere *brutum fulmen;* of itself, it will not produce any good if you do pass it. All admit there is no money; therefore the bill will give no relief to the Treasury. This bill, Mr. President, will not produce to the Secretary one dollar: he acknowledges himself that at all events it will not produce him many, for he says he wants other aid, and he has applied to Congress for an issue of some millions in Treasury notes. He gets the money, therefore, just as well without this bill as with it; the bill itself, then, is unnecessary, depriving the States of a sum which the Secretary cannot avail himself of, and which sum, notwithstanding this bill, he proposes to supply by an issue of Government notes. He calls this collateral aid to the measure of postponement. But this evidently reverses the order of things, for the Treasury notes are his main reliance; to them only he looks for immediate relief, and this instalment now to be withheld is (as a productive source of revenue) only subsequent and collateral to the issue of the notes.

But now, sir, what sort of notes does the Secretary propose to issue? He proposes, sir, to issue Treasury notes of small denominations, down even as low as twenty dollars, not bearing interest, and redeemable at no fixed period; they are to be received in debts due to Government, but are not otherwise to be paid until at some indefinite time there shall be a certain surplus in the Treasury beyond what the Secretary may think its wants require. Now, sir, this is plain, authentic, statutable paper money; it is exactly a new emission of old continental. If the Genius of the old Confederation were now to rise up in the midst of us, he could not furnish us, from the abundant stores of his recollection, with a more perfect model of paper money. It carries no interest; it has no fixed time of payment; it is to circulate as currency, and it is to circulate on the credit of Government alone, with no fixed period of redemption! If this be not paper money, pray, sir, what is it? And, sir, who expected this? Who expected that in the fifth year of the *experiment for reforming the currency*, and bringing it to an absolute gold and silver circulation, the Treasury Department would be found recommending to us a regular emission of paper money? This, sir, is quite new in the history of this Government; it belongs to that of the Confederation which has passed away.

Since 1789, although we have issued Treasury notes on sundry occasions, we have issued none like these; that is to say, we have issued none not bearing interest, intended for circulation, and with no fixed mode of redemption. I am glad, however, Mr. President, that the committee have not adopted the Secretary's recommendation, and that they have recommended the issue of Treasury notes of a description more conformable to the practice of the Government.

I think (said Mr. W.) there are ways by which the deposites with the States might be paid by the funds in the banks. There are large sums on deposite in some of the States, and an arrangement might be made for the States to receive the notes of their own banks in payment of this instalment, while the Treasury is at the same time relieved by its own measure; and all the inconvenience, disappointment, and disturbance, which this bill will necessarily create, would be avoided. At any rate, the payment of this deposite could do no more than in some measure to increase the amount of Treasury notes necessary to be issued; it is a question of quantity merely. Much of the instalment, I believe, might be paid, by judicious arrangements, out of those funds now in the banks, which the Secretary cannot use for other purposes; so that the whole might be provided for, by no great augmentation of the proposed amount of Treasury notes. I am, therefore, of opinion that this instalment should not be withheld: 1st. Because the withholding of it will produce great inconvenience to the States and to the people. 2d. Because provision may be made for paying it, without any large addition to the sum which it is proposed to raise, and which, at all events, must be raised for the uses of the Treasury.

In relation to the general subjects of the message, there is one thing which I intended to have said, but have omitted; it is this: We have seen the declaration of the President, in which he says that he refrains from suggesting any specific plan for the regulation of the exchanges of the country, and for relieving mercantile embarrassments, or for interfering with the ordinary operation of foreign or domestic commerce; and that he does this from a conviction that such measures are not within the constitutional province of the General Government; and yet he has made a recommendation to Congress which appears to me to be very remarkable, and it is of a measure which he thinks may prove a salutary remedy against a depreciated paper currency. This measure is neither more nor less than a bankrupt law against corporations and other bankers.

Now, Mr. President, it is certainly true that the constitution authorizes Congress to establish uniform rules on the subject of bankruptcies; but it is equally true, and abundantly manifest, that this power was not granted with any reference to currency questions. It is a general power—a power to make uniform rules on the subject. How is it possible that such a power can be fairly exercised by seizing on corporations and bankers, but excluding all the other usual subjects of bankrupt laws? Besides, do such laws ordinarily extend to corporations at all? But suppose they might be so extended, by a bankrupt law enacted for the usual purposes contemplated by such laws; how can a law be defended, which embraces them and bankers alone? I should like to hear what the learned gentleman at the head of the Judiciary Committee, to whom the subject is referred, has to say upon it.

How does the President's suggestion conform to his notions of the constitution? The object of bankrupt laws, sir, has no relation to currency. It is simply to distribute the effects of insolvent debtors among their creditors; and I must say, it strikes me that it would be a great perversion of the power conferred on Congress to exercise it upon corporations and bankers, with the leading and primary object of remedying a depreciated paper currency.

And this appears the more extraordinary, inasmuch as the President is of opinion that the general subject of the currency is not within our province. Bankruptcy, in its common and just meaning, is within our province. Currency, says the message, is not. But we have a bankruptcy power in the constitution, and we will use this power, not for bankruptcy, indeed, but for currency. This, I confess, sir, appears to me to be the short statement of the matter. I would not do the message, or its author, any intentional injustice, nor create any apparent where there was not a real inconsistency; but I declare, in all sincerity, that I cannot reconcile the proposed use of the bankrupt power with those opinions of the message which respect the authority of Congress over the currency of the country.

Mr. WRIGHT said it might become him to say a few words in relation to the bill before the Senate. His position in reference to this and other bills, perhaps, required him to do so. He would, however, confine himself strictly to the present subject, and to the most brief justification of his own course, and that of a majority of the Committee on Finance, who had concurred with him in reporting the bill.

Immediately upon the appointment of the committee, and the reference to it of the important subjects treated of in the message of the President, and the report of the Secretary of

the Treasury, the committee found that the Treasury of the United States was, very soon, to be in want of means to meet the current demands upon it, without regard to any further transfer to the States. They also found that this fourth instalment of the deposites with the States was to become payable on the 1st day of October, and amounted to about nine and one-third millions of dollars.

The state of the Treasury, as developed by the report of the Secretary of the Treasury, was, as he now recollected, (and he thought he could not be materially mistaken,) that, at the time when the statement appended to that report was made up, about the first day of the present month, (he believed the exact date was the 28th of August,) there was in the Treasury, subject to draft, available and unavailable, but eight million one hundred and some odd thousand dollars. The report was printed, and upon the table of every Senator, and would verify his correctness in this particular. This amount was exclusive of the sums already deposited with the States, being some twenty-eight millions.

To arrive at what would be the condition of the Treasury on the 1st of October, the expenses of the present month, which, from drafts already made and anticipated, were estimated at about two and a half millions, must be deducted from the eight million one hundred and odd thousand; thus leaving in the Treasury, subject to draft on the 1st day of October, less than six millions, without the transfer of a dollar to the States towards the October instalment. This, too, included all the funds in the Treasury, subject to draft for payments, or transfers to the States, whether available or not, upon the drafts of the Treasurer; the funds on deposite with the States not being taken into the computation.

If, then, the October instalment was to be transferred to the States, all the means in the Treasury, of all descriptions, on the day when that instalment was, by the deposite law, made transferable, would not be equal to two-thirds of the amount; and money must be borrowed upon the credit of the United States, to supply the deficiency.

Another and stronger view, however, was presented to the committee by the head of the Treasury Department. The largest portion of the funds in the Treasury at present, and which would remain there on the 1st of October, were wholly unavailable upon the drafts of the Treasurer. They were in the Western and Southwestern banks; and experience had already shown that the drafts of the Treasurer upon these banks would not be received in payment by the public creditors. It was equally proved that the States, other than those in which the banks were located, would not take those drafts, and give their obligations for a repayment of the amount in money, in pursuance of the provisions of the deposite law. The transfer to the States, therefore, could not be made, even to the amount of the funds in the Treasury subject to draft, by reason of the character of the funds to be drawn upon; and, if to be made a loan, to a much greater amount than the deficiency of those funds upon paper, would be regarded indispensable, from the unavailable condition of these funds.

Still it would be seen by the Senate, that this disposition of the funds in the Treasury, and of the public credit, would leave the Treasury without a dollar to answer the current demands upon it. The appropriations for the year were large, almost beyond example; and the current calls upon the public Treasury must be measured by them. Hence it had been an object of primary interest with the Secretary to devise the means for carrying on the Government, and fulfilling its obligations to the public creditors; and, in reaching that object, he had, as he (Mr. W.) considered, wisely and properly suspended his efforts to make this last transfer to the States. In pursuance of this necessity, he had told Congress, in his printed report, that he should make no movements towards the accomplishment of that object, until the action of Congress should signify its will that that transfer should still be made, and should provide the means for making it. These facts and conclusions were fully before the committee.

It then became necessary for them to see what would be the state of the public Treasury, upon the supposition that the October instalment of the deposite with the States should be withheld. In prosecuting that inquiry, they found that the funds in the Treasury subject to draft were to so great an extent unavailable, that it would be indispensably necessary to resort to the use of the credit of the Government, in some form, to anticipate the practical use of the unavailable portions of those funds for the purpose of current payments.

At this stage of the inquiry, two other important interests, both public and private in their character, pressed themselves upon the attention of the committee. In any settlement with the late deposite banks, which should have proper regard to the present deranged and depressed state of the business of the country, and to the security of the public moneys yet remaining in their possession, the committee were forced to the conclusion that indulgence to these institutions, beyond their legal liabilities, was indispensable. The conclusions of the committee upon this point had been embodied in the shape of a bill, and was now before the Senate in a printed form. The other great interest to which he referred was a similar indulgence upon the revenue bonds. There, also, the committee had reported a bill, which was before the body. In both cases, the least indulgence had been proposed, which the committee believed to be consistent with the great private interests of the community, or the security of the public property involved. They had been induced to believe that the time granted to the banks was the least which would enable them to meet the payments in the manner required by law, and that any dependence upon a more speedy collection of the merchants' bonds would result in disappointment to the public Treasury, and a consequent failure to pay the public creditors.

It being assumed that Congress would agree with the committee in these conclusions, and that these bills would meet with approbation, what then would be the state of the Treasury with reference to a transfer of the October instalment to the States?

Mr. W. said he understood the estimates of the department to be, that, without these indulgences to the banks and the merchants, and with the postponement of the October instalment of the transfer to the States, the whole means in the Treasury might be adequate to its wants; in case Congress should be willing to grant the use of the public credit temporarily, that that portion of the funds which were at present unavailable might be brought into practical use, until time should render them available for the redemption of that credit. If those indulgences should be granted, then the use of the public credit would be required beyond the current year, because material portions of the existing means, and of the otherwise accruing revenue, would be placed without the reach or control of the Treasury for more than that period.

Upon these calculations and hypotheses the bills of the committee had been framed; and it was now his duty to give these facts and conclusions practical application to the measure under discussion.

This was a bill to postpone the October instalment of the transfer to the States. If he had been correct in his statements, and had made himself intelligible to the Senate, it would be seen that nothing existed in the Treasury out of which this transfer could be made, and that nothing within its power could enable it to make it without the aid of Congress. It would also be seen that the whole means of the Treasury were inadequate to meet the current calls upon it without the temporary aid of the credit of the nation; and that, if a reasonable indulgence were granted to public

debtors, (such as the condition of the country and the security of eventual collections seemed to demand,) the use of that credit must extend beyond the current year, and could, at best, be only eventually met and redeemed by the means of the Treasury, existing or in prospect, without a further transfer to the States.

In view of these facts, Mr. W. said his own mind had been brought to this simple and plain conclusion: that the United States had no longer any moneys to be safely kept by the States; that if the October instalment of the transfer provided for by the deposite law of 1836 were made, the means to make it must be borrowed upon the credit of the United States; and that Congress must place itself in the singular position of using the public credit to borrow money, merely that it might be safely kept by the States when it was obtained. He understood these provisions of the deposite law, upon their face, to be mere provisions for the safekeeping of the public money. He understood this to be the object of those who advocated and supported that law at the time of its passage. In that sense he was disposed to regard it now; and he did not, therefore, view it as creating any claim in favor of the States, or as imposing any debt upon the United States. If, therefore, we were called upon to borrow money to fulfil the provisions of that law, he could only view it in the light of a call upon us to borrow money, merely that it might be safely kept when so borrowed. He had not felt, and could not feel, himself authorized to recommend a loan upon the credit of the nation for such a purpose. He believed he spoke the sentiments of those of his colleagues upon the committee, when he said that these were the views which had actuated him and them in consenting to report this bill.

Mr. W. said he owed it to himself to say that he had felt most sensibly the remarks of the honorable Senator from Massachusetts [Mr. WEBSTER] as to the inconveniences and disappointments which must grow out of withholding the transfer of this instalment to the States. With a much less knowledge of the varied business and pecuniary affairs of our extended country than that distinguished Senator, he had not been insensible to these considerations. The course pursued by his own State, in the disposition of this money, had compelled him to be awake to them. The law of his State for the investment of its portion of this money had placed the matter even beyond its control, and had compelled its chief fiscal officer, long since, to announce to its citizens that this instalment would be paid from the treasury of the State, whatever might be the action of Congress upon the subject. This would, beyond doubt, be done; and those who sent him here, and whom it was his duty and desire faithfully to represent, should this bill pass, would be compelled to indemnify, from their own public funds, the individuals interested as borrowers of these moneys against disappointment, damage, or loss, from the action of Congress. Yet, under these delicate and difficult circumstances, he had not been able to convince himself that he could properly do otherwise than to support the bill. He owed a high duty to those constituents, but he owed, in his estimation, a higher to the nation and to the constitution of his country. He could not think that the power granted to Congress to borrow money upon the credit of the United States could be properly exercised for the mere purpose of raising money to be safely kept; and this he must consider the simple question presented. He might be mistaken in this view of the matter, but such was the deliberate conclusion of his mind, upon the most mature reflection; and that conclusion must govern his action upon the bill, as it had done his action as a member of the committee which reported it.

Having said thus much, Mr. W. said, he would only correct two or three errors of fact into which the honorable Senator who had just resumed his seat [Mr. WEBSTER] seemed to him to have fallen, and he would detain the Senate no longer.

The honorable Senator seemed to suppose that the means to make this transfer to the States were in the Treasury; and that the only difficulty, separate from the other demands upon it, grew out of the present unavailable character of those means. The statements he had already made had shown the error of this hypothesis. He had already shown that the whole means in the Treasury, even when the Secretary of the Treasury made his report, at the commencement of our present session, of whatever character, whether available or not, were less, by more than a million of dollars, than the instalment required to be transferred to the States under the deposite law. He had further shown that those means, such as they were, were, before the 1st of October, when that transfer was required to be made, to be still further diminished by the whole expenses of the Government for the present month, ascertained and estimated to amount to two and a half millions of dollars. Hence it would follow, that the whole means in the Treasury on the 1st day of October next must be from three and a half to four millions less than the transfer required. It was in vain, therefore, Mr. W. said, to escape from the conclusion, that, if Congress should insist upon this transfer, it must authorize a loan of money upon the public credit, to enable the Treasury to make it: in other words, that it must authorize a loan of money upon the credit of the United States, in order that that money, when loaned, may be deposited with the States for safekeeping.

Another error of the honorable Senator [Mr. WEBSTER] which he felt bound to correct was in his strictures upon the recommendations of the Secretary of the Treasury, as to the manner of issuing Treasury notes. The honorable Senator had criticised this part of the report of the Secretary of the Treasury with some severity, and had held him up to the Senate and the country as striking out a new path for the supply of the Treasury; as recommending the issue of paper money, of a description of paper similar to that which we know by the denomination of "continental money;" and of doing this for the first time since the organization of the Government under the constitution. The fault complained of consisted in a recommendation, merely discretionary and alternative, to issue Treasury notes bearing no interest, and payable to the bearer, in case the public creditors should be found willing to receive such notes in payment of their demands against the Government, at par; otherwise, to give the notes such an interest as would bring them to par.

Mr. W. said, as the committee, in the bill they had reported, had not followed this recommendation of the Secretary, it would be seen that no question was depending before the Senate, either in the bill now under discussion, or in any other, which rendered this point material; but he was sure his object would be fully understood and appreciated in making this correction. It was simply to defend this public officer against a mistaken accusation. It was not necessary for him to defend, at this time, the soundness of the recommendation, but to protect the Secretary against the charge of being the author of a principle now supposed to be so new and so dangerous. To do this, it was only necessary for him to read the third section of the act of the 24th of February, 1815, authorizing an emission of Treasury notes, in which all these dangers would be found to be embraced, adopted, and made imperative, as a part of the laws of the land.

[Mr. W. here read the section of the act, as follows:

"Sec. 3. *And be it further enacted*, That the said Treasury notes shall be prepared of such denominations as the Secretary of the Treasury, with the approbation of the President of the United States, shall, from time to time, direct; and such of the said notes as shall be of a denomination less than one hundred dollars shall be payable to bearer, and be transferable by delivery alone, and shall bear no interest; and such of the said notes as shall be of the de-

nomination of one hundred dollars, or upwards, may be made payable to order, and transferable by delivery and assignment, endorsed on the same, and bearing an interest from the day on which they shall be issued, at the rate of five and two-fifths per centum per annum; or they may be made payable to bearer, and transferable by delivery alone, and bearing no interest, as the Secretary of the Treasury, with the approbation of the President of the United States, shall direct."]

What, now, Mr. W. asked, was the condition and the fault of the Secretary? He had found the public treasury in want of means to pay the public creditors. The exigency had grown out of a reverse in trade and business, sudden and universal; and the use of the credit of the Government, in some form, seemed to him indispensable. It became his duty to suggest to Congress the means and the mode of supplying the Treasury. He examined the legislative history of the Government in former cases of embarrassment at the Treasury, and found, among other expedients, that emissions of Treasury notes paying no interest, payable to bearer, transferable by delivery alone, and without any restriction as to the denomination of the notes to be so issued, had been authorized. Among a variety of plans to meet the present wants, he suggested this, recommending that no note should be issued for a less amount than $20. Had he attempted to introduce any new principle? Certainly not. Was his conduct, in making this suggestion, in conformity with the previous practice of Congress itself, deserving of the high censure which had been bestowed upon it? He (Mr. W.) thought not.

A single other reply to the honorable Senator. That gentleman had supposed the President most inconsistent and contradictory with himself, in remarking, generally, in his message, that he did not recommend to Congress measures for the regulation of the general currency of the country, or of the foreign and domestic exchanges, because he could not find in the constitution any power conferred upon Congress to regulate these matters; and then, in the same message, recommending a bankrupt law, as applicable to banks and bankers. Where was the inconsistency or contradiction? The President had said he omitted to make further recommendations upon these subjects than those found in the message, because he could not find, and did not believe, that Congress possessed further power over them; but he did recommend a bankrupt law, because the power to pass bankrupt laws is conferred upon Congress by the constitution, in express terms. He did, therefore, recommend a bankrupt law, which the constitution authorizes; and he did not recommend any thing else, upon these points, because the constitution authorizes Congress to do nothing else. Is this inconsistent?

Mr. WEBSTER said, in reply, if the act of 1815 authorized the issuing of Treasury notes, no circulation was ever made of such notes as the Secretary now recommends. All Treasury notes went on the ground of a temporary loan to the Government, to be paid or funded as soon as the Treasury would allow.

The member from New York [Mr. WRIGHT] had said that the question before the Senate was a simple proposition, whether they should borrow money to be safely kept with the States? By him, and by others, it had also been represented as a question whether they should borrow money to give away? Nobody, Mr. W. thought, would borrow money merely to give away, or deposite for safe-keeping. But he would put it to the honorable member, if any Government had made a contract, or excited an expectation that a deposite would be made, and the other party had acted on the faith of this assurance, and had nearly completed their arrangements, whether it ought not to supply the means, even if it did not, at the time, possess them! And suppose it was the promise of a gift, instead of a deposite; might it not be found more just to borrow, than to defeat the expectation on which the other party had acted? What was the object of this bill? It was not to repeal, but to postpone what was hereafter to be fulfilled. Such being the case, it was doubtful whether it could ever be transferred to the States with more convenience than it could now from the banks.

During the late war there was great want of money, and a great disposition to use Treasury notes, and pass them as a medium of payment to the public creditors. But, in the difficulties and embarrassments of a foreign war, things were done, which, in a day of peace and abundance, we should be slow to do. And one thing which we should be slow to do was, to propose by law that we should pay the public creditors any thing less in value than gold and silver, on the condition that the creditors would voluntarily take it. The Secretary had said that the protested checks now in circulation were only a little depreciated below the value of specie, and argues that these notes will be as good at least as the protested checks. But suppose these notes should be depreciated only a little below the value of silver; was it proposed that they should be offered to the public creditors if they would receive them? What was meant when it was said that the officers of the Government may pay its creditors in Treasury notes, if they will voluntarily receive them? What was the alternative? Were the gold and silver held in one hand, and the Treasury notes in the other? On the contrary, it was a sort of forced payment, not as good as was required by law. All knew there was no choice. The men who labored in the streets of this city, on the public works, or who furnished the bricks and stones, would come for their pay; and they would be offered Treasury notes, and asked if they were willing to take them. But would there be gold and silver in the other hand? No; nothing but the Treasury notes: and they would be asked if they were willing to take them; and then, if they should take them, that is called voluntary reception.

Now it is evident that, in such a case, the only choice is between Treasury notes, on the one hand, and something worse, or nothing at all, on the other. No man can be supposed to receive voluntarily any thing of less value than that which he is legally entitled to. The reception of such inferior medium is always the result of force or necessity, either greater or smaller. Neither the justice nor the dignity of the Government could ever allow of such a course. If Treasury notes were offered to the public creditor, there ought to be an actual choice afforded between them and the specie. And, especially, with what an aspect could this Government offer such payment, at the very moment when, with a stern countenance and iron hand, it was demanding of its creditors metallic money for every dollar of its dues! Was it not now the law that no officer of the Government should offer the public creditor any thing less in value than specie? Mr. W. thought, therefore, that the notes proposed by the committee were better than those recommended by the Secretary. He was in favor of that system which would put the public creditor in no such selection as between paper and nothing.

Mr. BUCHANAN said he had often admired the dexterity with which the Senator from Massachusetts could extricate himself from a difficulty, in which, however, he was seldom involved. On such occasions he always made a skilful retreat. Feeling the respect which he (Mr. B.) did for his legal knowledge, he had received, as a matter of faith, his declaration that Treasury notes not bearing interest had never been issued under the present constitution; and when he called up the ghost of the ancient Confederation to act as godfather of these Treasury notes, Mr. B. remained satisfied that he had made himself fully acquainted with the laws in relation to that subject. But scarcely had he taken his seat, when the act of 1815 laid the ghost which he had conjured up; and by that it ap-

peared that Congress had done the very thing which he had declared had not been done since the days of the Confederation. Thus much was due to the Secretary of the Treasury. Mr. B., however, rejoiced that the Committee on Finance had proposed the issue of no notes not bearing interest.

In regard to this bill, a plain statement of facts would be the most conclusive argument which could be urged in its favor. He had voted for the deposite of June, 1836; and, upon a retrospect of all which had occurred since its passage, he had found no cause to repent of this vote. It was a choice of evils; and between the alternatives presented, he thought he had made the best choice. On the one side, after reserving five millions, nearly forty millions of dollars had accumulated in the deposite banks. This vast amount of money was used by them to increase the dividends of their stockholders, to expand extravagantly the paper circulation of the country, and to excite speculation to the greatest excess. On the other hand, strong objections existed against making the Federal Government an instrument for the purpose of collecting money that it might be deposited with the States. The precedent might in many respects be dangerous. But the money was on hand. It had been collected under existing laws. Placed in this situation, he thought it was more just, more politic, more safe, to place it in deposite with the States, that it might be used for the benefit of the people, than to suffer it to remain with the banks for the benefit of their stockholders, and to the injury of the country.

But does the deposite law, from first to last, contain one sentence—nay, does it contain one word—which resembles a gift or a loan to the States? Is it not, in terms, a bare transfer of the deposites from the banks to the States? Under its provisions, the faith of all the States is pledged for the safekeeping and repayment of their respective proportions of this money, whenever they shall be required by the Secretary of the Treasury, for the purpose of defraying the wants of the Treasury. The mode and manner in which he shall call for it are expressly prescribed. Nay, more; the case has actually occurred. If the Secretary had pursued the line of strict duty under the law, he would, ere this, have called on the States for a portion of the three instalments which have already been paid. He has acted wisely in not making this demand until the pleasure of Congress could be known. The States are not now in a condition to return immediately any portion of what they have already received.

Under these circumstances, the question is, whether we are bound, upon any principle, to deposite with them the fourth instalment, when the Secretary of the Treasury, the very next day, might demand a return not only of it, but of the three other instalments, in the manner prescribed by the law.

The Senator from Massachusetts had not contended that we were bound by any contract to deposite this fourth instalment with the States. He had said, however, that if an individual, by his conduct, had induced a reasonable expectation that he would loan money to another, or give money to another, it might become his duty to borrow it, and pay interest for it, for either of those purposes. Mr. B. denied that the conduct of Congress was such as to afford any pretext for such an expectation. On the face of the act there was nothing but *deposite* written. Neither a loan nor a gift appeared upon it. It was a mere deposite, without interest, to be restored when demanded in the manner prescribed; and not a loan for a given period, much less an absolute gift. If the States, therefore, had entertained any such expectation, it was from other circumstances, and not from the solemn contract into which they had entered with the United States under this law.

Mr. B. knew that several of the States had made appropriations of this money, which would render it extremely inconvenient for them to return, at the present time, any portion of the money which they had already received. He did not believe that it ought to be demanded from them by the Secretary of the Treasury, without the special direction of Congress. Still, this opinion was not founded upon any doubts which he entertained of their obligation to refund it.

Congress would not have been involved in its present difficulties in regard to this subject, but for the unfortunate amendment which had been made to the deposite bill by the House of Representatives, which was acquiesced in by the Senate. Had it not been for this amendment, we might now proceed and suffer the fourth instalment to be deposited with the States. The Secretary of the Treasury would then have received from them transferable certificates of deposite, in such convenient sums as he might have directed, bearing no interest until it became necessary for him to use them, but afterwards bearing an interest of five per cent., and redeemable at the pleasure of the States. At this very moment such certificates would command a premium in the market, and would be equal to gold and silver. The Treasury might have been replenished by their sale; and we might suffer the deposite law to take its course.

Mr. B. said, however much ingenuity might attempt to disguise this question, the result was, that we must now determine whether we will borrow the amount of the fourth instalment, either in the form of Treasury notes, or by a direct loan, and pay interest upon it, in order that we may deposite it with the States for safekeeping, and without interest. This was the plain and simple proposition. It was the result of all the argument. What man, in his senses, ever contracted a debt in order that he might deposite the amount of it with his neighbor for safekeeping? And is the Federal Government to be guilty of this absurdity? Are we, as the trustees of the people of the United States, to manage their concerns so unwisely as to involve them in a debt, and collect taxes from them to pay it, for any such purpose? However much the States might desire to receive this fourth instalment, and whatever attempts might be made to excite popular feeling upon this subject, he had full confidence that his constituents would approve his vote upon this bill.

Mr. B. said that he knew very well that this was a subject well calculated to enlist the feelings of Senators. The instalment might be deposited with the States against his vote. In that event, he should bow most cheerfully to the will of the majority. Indeed, there was one consideration which had induced him to endeavor to bring himself to this conclusion; and nothing but a conviction of imperious duty had stood in the way. He knew that the greater amount of Treasury notes which we issued, the greater would be the relief to the community. Whatever amount might be issued, would be equal, in this respect, to the creation of so much gold and silver. They would assist in regulating the exchanges, both foreign and domestic. They would go to Europe in payment of our debt, and thus prevent the transportation of the precious metals. If this bill should not pass, their amount would be increased several millions; and thus additional relief would be afforded to the public. But however much he might desire, and however much he did desire this result, he could not consent to borrow money on the faith of the United States, not to carry into effect the legitimate purposes of the Government, but to place it on deposite with the several States.

In answer to Mr. BUCHANAN,

Mr. WEBSTER, having obtained and examined the act of 1815, said: The honorable member from Pennsylvania has been kind enough to say that I do not often get into difficulties in debate, and that when I do, I generally extricate myself better than I have done on the present occasion. He partakes in the supposed triumph of his friend from New York, [Mr. WRIGHT,] in having proved me incorrect when

I said that this Government had never issued such paper money as the Secretary has now recommended. Now, sir, although I am pleased to see the happiness which the gentleman enjoys, yet I believe I must dash it a little. Most assuredly, sir, it authorizes no such paper as is now proposed. I was persuaded it could not, as I have a pretty good recollection of the proceedings of Congress on such subjects at that time.

The law of 1815 authorized the issue of two classes of Treasury notes: 1st. Such as bore no interest, but which, the very hour they were issued, might be funded in a 7 per cent. stock, to be redeemed like other stocks of the Government. 2d. Treasury notes bearing an interest of five and two-fifths per cent., capable of being funded in like manner, in a 6 per cent. stock. These stocks were to be issued on application by any commissioner of the revenue in any State. Now, what comparison is there between either of these classes of Treasury notes and those recommended by the Secretary, which bear no interest, and for which no fixed redemption is provided?

I affirm again, therefore, sir, all that I have said, namely, that the notes recommended by the Sceretary are regular paper issues, like the old emissions of Congress and the States before the adoption of the present constitution; and that no precedent has been found for them, and I am sure none can be found, in the practice of this Government.

Mr. BUCHANAN said he did not think the Senator, with all his ingenuity, had got out of the difficulty. Under the section of the law of 1815, which he had just read, Treasury notes were to be issued without interest; they were to circulate as a currency without interest; they might continue to circulate for years without interest. It did not alter the case that the holder of them above a certain amount had the privilege of funding them, and converting them into a stock bearing interest. This interest did not commence from the date of their issue, but from the time they were funded. All the time they remained in circulation, they were Treasury notes without interest. They were what the Senator from Massachusetts had supposed never was issued under the present constitution. Mr. B. however, agreed with the Senator that at this time no Treasury notes ought to be issued which did not bear interest.

Mr. CALHOUN said that he was decidedly of the impression that, under the circumstances of the case, this postponement ought to be made. The object of the deposite law was to draw the revenue out of the grasp of the Government, and to restore it to those to whom it ought to be restored. And now, when there was no surplus, it was not contrary to the purpose of that law to withhold it. But the responsibility of doing so would rest on gentlemen of the administration and those of the opposition who made last year the extravagant appropriations of thirty-two millions, exceeding the estimate of the Secretary of the Treasury. They were then told of the folly of raising the revenue, and of raising the disbursements. The result now was, that the Government was bankrupt. Were they never to look ahead, and see the difficulties that threatened them?

Another era had now arisen. They had got through with the surplus, and Mr. C. trusted they were through with extravagant appropriations. If they did not economize and retrench, he saw a new age commencing—perhaps that of Treasury notes—when the compromise act would be annulled, and the high tariff revived. But Mr. C. would agree that the fourth deposite should be withheld, since that law had fulfilled its main purpose, and since a new series of extravagances was now to arise unless they kept a good lookout.

Mr. WALKER moved an adjournment; when, a division being called for, the Senate refused to adjourn.

Mr. BUCHANAN then rose to offer an amendment, if in order; the object of which was to take off from the Secretary the responsibility of calling upon the States, and to repose this responsibility where he (Mr. B.) thought it should be—namely, in Congress. For this purpose he proposed to insert "provided the three first instalments already paid do remain on deposite until further directed by Congress."

Mr. NILES said he must ask for the yeas and nays on the amendment, and was sorry it had been offered. If it was to be fully considered, it would renew the debate on the deposite act, as it went to change the essential principles and terms of that act. A majority of those who voted for that act, about which there had been so much said and so much misrepresentation, had professed to regard it—and he could not doubt that at the time they did so regard it—as simply a deposite law; as merely changing the place of deposite from the banks to the States, so far as related to the surplus. The money was still to be in the Treasury, and liable to be drawn out, with certain limitations and restrictions, by the ordinary appropriation laws, without the direct action of Congress. The amendment, if adopted, will change the principles of the deposite act, and the condition of the money deposited with the States under it. It will no longer be a deposite; it will not be in the Treasury, even in point of legal effect or form: the deposite will be changed to a loan, or, perhaps more properly, a grant to the States. The rights of the United States will be changed to a mere claim, like that against the late Bank of the United States; and a claim without any means to enforce it. We were charged, at the time, of making a distribution of the public revenue to the States, in the disguise and form of a deposite; and this amendment, it appeared to him, would be a very bold step towards confirming the truth of that charge. He deemed the amendment an important one, and highly objectionable; but he saw that the Senate were prepared to adopt it, and he would not pursue the discussion, but content himself with repeating his request for the ayes and noes on the question.

Mr. BUCHANAN said he had not imagined this amendment would meet with opposition. He wished to know if it was right and proper that the Secretary should be made responsible for not calling upon the States for this money, as the law required him to do? The condition of the States was such that the Secretary cannot make such call upon them. He (Mr. B.) was therefore desirous to relieve him from this embarrassment. The substituting Congress instead of the Secretary would not, Mr. B. thought, make any change in the nature of the fund.

Mr. CALHOUN said he fully concurred in the proposed amendment. It was due to the States in their sovereign capacity not to subject themselves to be called upon for the money by any other authority than Congress.

The question was then taken on the amendment offered by Mr. BUCHANAN; and the yeas and nays being called for, were as follows:

YEAS—Messrs. Allen, Bayard, Black, Brown, Buchanan, Calhoun, Clayton, Crittenden, Fulton, Grundy, Kent, King of Alabama, King of Georgia, Knight, Linn, Lyon, Morris, Nicholas, Norvell, Preston, Robbins, Robinson, Sevier, Smith of Indiana, Southard, Strange, Swift, Tallmadge, Wall, Webster, White, Williams, Young—33.

NAYS—Messrs. Benton, Clay of Alabama, Hubbard, Niles, Pierce, Rives, Roane, Ruggles, Smith of Connecticut, Tipton, Walker, Wright—12.

Mr. TALLMADGE then moved, as an amendment, to strike out all the bill after the enacting clause, and insert the following as a substitute therefor:

"That the money deposited, and to be deposited, with the States, under the 13th section of the act of June 23, 1836, shall remain on deposite with the States until otherwise directed by Congress."

Mr. T. made a few brief remarks in support of this amendment, which he said embraced the substance of the amendment offered by the Senator from Pennsylvania, [Mr. BUCHANAN.]

The yeas and nays being ordered, the question was taken on Mr. TALLMADGE's amendment, and decided in the negative, as follows:

YEAS—Messrs. Bayard, Clayton, Crittenden, Fulton, Kent, Knight, Lyon, Nicholas, Norvell, Preston, Robbins, Smith of Indiana, Southard, Swift, Tallmadge, Tipton, Webster, White—18.

NAYS—Messrs. Allen, Benton, Black, Brown, Buchanan, Calhoun, Clay of Alabama, Grundy, Hubbard, King of Alabama, King of Georgia, Linn, Morris, Niles, Pierce, Rives, Roane, Robinson, Ruggles, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright, Young—27.

The question on engrossing the bill as amended, and ordering it to a third reading, was then taken, and decided in the affirmative, as follows:

YEAS—Messrs. Allen, Benton, Black, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Linn, Morris, Niles, Pierce, Rives, Roane, Robinson, Ruggles, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright—27.

NAYS—Messrs. Bayard, Clayton, Crittenden, Kent, Knight, Lyon, Nicholas, Norvell, Preston, Robbins, Smith of Indiana, Southard, Swift, Tallmadge, Tipton, Webster, White, Young—18.

The Senate then, on motion of Mr. NICHOLAS, adjourned.

FRIDAY, SEPTEMBER 15.

Mr. HUBBARD called up the resolution offered by him yesterday, by which it was proposed that the Senate should meet in future at 10 o'clock.

Mr. H. modified his resolution to read, "that after this week, the Senate meet at 11 o'clock, A. M.;" and this was agreed to.

FOURTH INSTALMENT.

The bill to postpone indefinitely the payment of the fourth instalment of the deposite bill, was read a third time; and the question being upon its passage,

Mr. PRESTON, of South Carolina, said he should not now undertake to make a formal opposition to this bill, as he understood its fate to have been decided on the second reading, and it might be considered as having already passed. He thought, however, it ought to have met with more discussion than had taken place upon it, and he would therefore beg the indulgence of the Senate while he briefly expressed his opinion upon its merits.

The first inquiry he should make was, whether a case had been made out justifying the withholding of this instalment of the deposite with the States; and, secondly, he would inquire if, supposing the case had arrived, this was the proper and the most advisable course to be adopted to assist in replenishing the Treasury.

My opinion (said Mr. P.) decidedly is, that the *casus fœderis* has not arrived for Congress to encroach upon the fund set aside for deposite with the States; and I further am of opinion that, even if it had now arrived, yet this is not the course by which we shall best consult the interests of the country, in attempting to bring relief to the Treasury.

Let us briefly consider the history of the deposite act. That act was passed contemporaneously with other acts of most prodigal expenditure. We had a surplus which we knew not how to dispose of. To expend—to get rid of our overflowing funds—was then the order of the day. We were in the full tide of an inauspicious prosperity, and the departments were stimulated and goaded on to find out how much they could spend, while the majority in Congress seemed to be employed in finding out how much they could give. The departments asked for twenty millions; and Congress, eager to get rid of the surplus, outstripped even their extravagant demands, and gave them thirty millions. Then it was, sir, that this deposite bill was originated. It went hand in hand with bills of the most extravagant and prodigal expenditure.

Now, sir, under these circumstances, when we give so prodigally to the departments, at a time of high prices, it is well worth our while to inquire whether the time has not arrived to lop off and curtail from our expenditure, rather than to withhold this instalment from the States. I am of opinion we might save the nine millions of this instalment by curtailing the extravagant expenditures of the departments, and so pay the instalment—not by distressing the States in withholding it, but by introducing a wholesome measure of retrenchment in the expenditure of Government.

This, sir, is the ground I take; namely, that it would be far better to curtail our expenditure than to stop the payment of this instalment.

Again, I would ask, does the proposition contained in this bill go to relieve in any manner the pressure upon the people? Not in the least, sir. Neither will the Government place itself in funds by the operation of this law. The banks have laid violent hands on the deposites; they will pay them no longer in the medium they were expected to pay them in. Of what use, then, will this bill be to Government? The money is locked up in the banks; and the wildest enthusiast in favor of this measure would not go so far as to say that by the mere fiat of this body a bill such as this is going to fill the country with gold and silver. We have not got the magician's wand, by one touch of which we can make the gold come forth from its hiding places. We may call, indeed, by our enactments, the spirits from the vasty deep; but will they come when we do call them? Will money be obtained for the Government when you pass this law? No, sir; we all know that this bill will bring no money into the Treasury.

It would be better, therefore, under such circumstances, to let the law go on, and let the States receive the whole of the deposite. The States, sir, are willing to take the instalment in the only medium in which the State institutions are able to pay it. They are not going, at this crisis, to clamor for a hard-money currency. They will be satisfied with receiving the State currency—their own domestic currency. But the President says "no;" and by passing this bill, according to his recommendation, you will not let them receive a currency which they are willing to receive. The amount of the instalment now in the banks would be useful, in that currency, to them, for they would gladly receive it; but it will be of no use whatever to the Government, for the Government will not receive it. Then, sir, if I may use a homely similitude, by such an enactment as this you act the part of the dog in the manger—you will not take the money of the States yourselves, and you will not let them have it, though they wish to receive it. Is this a noble, or even a politic proceeding? Is this your reforming the currency? Is this aiding and relieving the embarrassments of the people, to stamp a bad name upon their currency, to refuse to receive it yourselves, to pass laws fixing a stigma upon it, and then to forbid others to receive it?

Again, sir: there is another view which I think ought to be taken of this subject; and, had it received its due consideration, such a measure as this could surely never have been proposed. In fifteen days from now, this instalment will be due to the States. They have already made their disposition of the money. It has been disposed of in various contracts, and been directed to various great and useful purposes; and now, suddenly, at this short notice, the expected sum—the sum which the law had pledged to them—is, by another law, to be withheld. But, by the terms of the deposite law, a specific time was fixed upon and accorded to the States, in which the States were to have notice of any demand to be made upon them for the

sum deposited. By the law, therefore, they are entitled to a notice before this fourth instalment can be withdrawn from them—for they have already expended it; and this bill to withhold it is equivalent in its action to taking back the money from them, without the notice which the law provided for.

Mr. P. then proceeded to show that there were other and better methods of raising money for the Treasury, without resorting to this expedient, which, while it would be onerous and oppressive to the States, would be, at the same time, virtually useless and unproductive to the Government. One mode which he should point out was, that of an issue of certificates of deposite, which would immediately provide available funds for the Government, without this measure of withholding an expected and promised instalment. Mr. P. remarked that such a provision had been originally inserted in the deposite bill; but he greatly regretted that, in order to overcome the prejudices of an illustrious person, and to make the bill acceptable to him, (the late President of the United States,) that provision had been stricken out of the bill, in order to secure its passage and save it from his veto. He also remarked that he should not permit himself now to dwell upon that painful recollection, but should content himself with merely expressing his deep regret that so wise and salutary a provision had been stricken out of the bill from considerations so individual, personal, and little.

If (continued Mr. P.) that wise and salutary measure had been carried out in the original deposite bill, we should not now be here. The Senate would not now be fatigued with its present labors, and all the trouble we are now undergoing would have been avoided. The Treasurer would then have only had to throw the certificates into the market, to raise what sum he required for the use of the Government. Such a course, sir, (observed Mr. P.) would have been enough and ample to pry up the Government out of the Slough of Despond in which now it is sunken. Not only would it have given funds to the Government, but also it would have given relief to the people. It would have thrown money into circulation; it would have benefited all parties. It would have been twice blessed, giving double relief both to the States which gave the certificates, and to the General Government, which received them.

By this proposition to suspend or postpone the payment of the instalment, Mr. P. said, no one will be benefited. He would venture to suggest how both parties might be benefited, and the issue of Treasury notes might be avoided. Let the clause exscinded from the original deposite bill be re-enacted; let the States issue their certificates, which will be as good as specie to the Government. Let the States receive this instalment, and let the Treasury receive the certificates, and sell them. In this manner, instead of adding to the general distress of the times, both parties would be eminently benefited. Surely (said Mr. P.) those gentlemen who hold our destinies in their hands, who carry all the measures they please to imagine, good or bad—and he (Mr. P.) was sorry to say he could not look back and call all their measures good, nor could he look at this measure and deem it either wise, or good, or politic—surely, he would repeat, those gentlemen ought to be willing to adopt such measures as would be the least distressing, the least painful, onerous, and disturbing, at a time of general distress, such as the present, when we are called together to relieve, not to aggravate; to benefit, and not to injure; to heal, and not to take vengeance.

I entreat those gentlemen, therefore, (said Mr. P.,) to take these things into consideration. I entreat them to give more time to the States—not to stop the payment of this instalment; I entreat them to let the money go where it might almost be considered a vested right it should go. Mr. P. concluded by saying he was sorry to have detained the Senate at this stage of the bill; he had not expected that he could have weight enough to change the course of the gentlemen of the majority, or to prevent the passage of this disastrous bill. All he had desired was, to give brief expression to his views of it. He had now done so, and, in doing so, he felt that he had done his duty.

Mr. CALHOUN said he thought it would be better for his colleague [Mr. PRESTON] to make a motion at once for the repeal of unexpended appropriations to the amount of nine millions of dollars, the amount of the instalment. There would then be a surplus to that extent, which might go for the payment of the fourth instalment. If Mr. P. felt unwilling at this stage of the bill to make such a motion, he (Mr. C.) would agree to the laying of the bill on the table in order to give time. He confessed that the idea had occurred to him which his colleague had just stated; but he did not see any probability of such a proposition being attended with success. He had done his utmost to stop the extravagant course pursued at former sessions in granting the appropriations. His efforts had been unsuccessful, and now he thought there was still less chance of getting back that which it had not been possible to prevent from being legislated away. He agreed with his colleague that it was entirely useless to lock up this money. It would do no good to the Government; when, if let go, it would do good to the States.

Mr. CRITTENDEN, of Kentucky, said he fully concurred in the views just expressed by the gentleman from South Carolina, [Mr. PRESTON.] In the State which he came from, he said, the general opinion was that retrenchment was wanting, and ought to be exercised in the several departments of the Government. The profusion to which they were becoming habituated it was time should be checked, and he (Mr. C.) agreed with the honorable Senator from South Carolina, [Mr. PRESTON,] that now was the time, if ever, to put in force such a necessary retrenchment. He (Mr. C.) could not well understand the reason why any other course should be resorted to; for it clearly appeared to him that, by proper retrenchment in the expenditures of Government, enough, and more than enough, might be curtailed from its superfluous disbursements to make up the amount which the payment of this instalment would require.

But he (Mr. C.) was at a loss to understand what object the Government could have in view by the measure here proposed. Such was its tenacity for a metallic currency, so great was its abhorrence of any other media, that it refused to take, or acknowledge as available funds, the money of the country and of the people. It could, therefore, get no available funds by this bill. The banks could not pay its demands now in gold or silver, nor were they likely to be able to do so for some time to come. Why, then, did the Government seek by this bill to deprive the States of funds which were available to them, but which were altogether unavailable to the Government? He could not comprehend the reasons and motives of such a measure. If this bill would benefit the Government by making the sum it withholds from the States available to the General Government, there might be, indeed, some reason in it. But why, he asked, take from the States that which would benefit them, in order to hand it over to the General Government, to whom it will confessedly be of no benefit whatever? The State of Kentucky, and other States also, had made provisions for the expenditure of this money—had already applied it to various great and useful objects, relying on the solemn faith of a law of Congress, passed after the fullest deliberation by that body. On such a law, not deeming that it would be lightly broken or rescinded upon the first pretext, Kentucky had built her expectation of this money, and had acted upon that expectation, and had disposed of it by anticipation. Therefore, not only on the ground that this money would not be available to the General Government was this bill objectionable, but also

on the ground that its present withdrawal from the States would be highly injurious and inconvenient to them. On this ground the bill, in his view, was eminently objectionable.

Was the faith pledged by an act of Congress to be so lightly broken? Was an expectation, based upon such ground, to be with such indifference and facility disappointed? Was it worth no effort—no exertion—no trouble, to keep a promise? to stand by a law? to fulfil an engagement? The States were invited to accept this deposite; it was no boon of their soliciting; and now, after it has been offered—after it has been promised—after it has been accepted—after it has been spent—after numberless schemes and plans for its employment, all beneficial to the States, have been devised and settled, and are waiting the payment of this fourth instalment for their completion—is it now the time to recede from our engagement? Is it now the time to break a promise? Is it now the time to violate a pledge, and say that you have not got the money? Might it not be replied, You have got the money, but you will not let the States have it! Such, in fact, would be the effect of the passage of this bill! Yes, sir, the money is there; the money is in the banks; the States are willing to receive it; but Congress interposes, and, by this bill, says "No, you shall not receive it."

We are told by the supporters and advocates of this bill that it must be passed, because it would be highly impolitic to borrow money in order to deposite it with the States. This, sir, is not the correct view of the case; this is not a fair statement of the question; this, sir, is not the question at all. The question is this: The States have been led to expect this fund, on the faith of a law; they have made improvements, entered into contracts, incurred expenses on the expectation of receiving this money, pledged to them by the law; and now, sir, the question is, "is there no right on the part of the States—is there no obligation on the part of the General Government to fulfil the law?" Shall the law be set aside on the mere plea of inconvenience? That, sir, is the question—the great question! Whether a solemn law shall be fulfilled—whether a pledge shall be redeemed—whether a promise shall be performed—whether there exists any obligation to fulfil promises given, and not to disappoint expectations gratuitously raised! Shall we be told, sir, that there exists no such obligation? It is, in my view, the highest obligation which attaches to any Government. Now, in answer to this, we are met by the plea of convenience. We are told it would be very inconvenient to fulfil this contract with the States; that money will have to be borrowed for the purpose; and, therefore, since it would not be quite convenient to fulfil the obligation, the obligation ought to be broken, and the faith of the law violated!

But there is also another plea for this measure. I understand gentlemen to say that there is not money enough in the Treasury to pay this fourth instalment. But, sir, laying aside the question how far such an argument ought to prevail to induce the violation of a solemn engagement, let us ask, as to the fact, whether there are indeed no funds for the purpose of meeting this engagement? On looking over the report of the Secretary of the Treasury, (said Mr. C.,) I only find a probability spoken of. He says there *may probably be* a deficit, and not that there *is*. The argument, therefore, is divested of its main strength—and that is, of the absolute fact necessary to sustain it. But, sir, if there are no funds adapted to the wants of the General Government, there are funds which the States would willingly receive. They have confidence in the banks; they would receive their paper. They are not engaged in warfare against them; they do not wish to destroy them, and to destroy the credit of the country and of the people; while, on the other hand, there are no funds for the use of the General Government, only because it will not recognise our money, our funds, our credit, and will only receive gold and silver. It is not willing to go hand in hand with the people in aiding and assisting to support and sustain that credit which is the life and soul of the business, trade, and commerce of the nation.

Again, sir, let me expose another monstrous idea which seems to possess the gentlemen who have brought forward and those who advocate this bill—an erroneous idea indeed, of which it were well that they were dispossessed; and it is this, sir: they seem to imagine that this money belongs to the Government. Not so, sir, (said Mr. C.;) far from it: it belongs to the States—it belongs to the people, from whom the Government has gathered and collected it; but which gathering and collecting did not make it its own. Therefore, sir, in addition to the many strong reasons why this money should not be withheld from us, the reason above all is, that it is our own money.

The President of the United States, in his message, had read a lecture on economy to Congress and to the people of this country, and had told them that the distress and exigency of the times which have brought us here are to be attributed to the extravagance of the people. Now, sir, it is very strange that it never occurred to the President that economy was, of all things, that in which the Government itself was most deficient; that economy was especially needed to be put in practice by it; that the tide of prodigality and high expenditure of millions upon millions, in which it had of late years indulged, it was now high time should be stopped. Strange, sir, is it that the President, before he made this charge upon the people, did not look to the crying necessity for reform and economy in the Government itself.

In a time of distress like this, when the Government gives to the people such lessons of economy, what conduct do we behold in the Government? Any approach, sir, to economy? No, sir, none whatever; on the contrary, all the recommendations of the message, and all the measures of the administration, are, notwithstanding the people's distress, and notwithstanding the lessons of economy read to them by the President, directed and aimed at the one single and only object of filling the Treasury with money—of keeping the Government going—of providing means for a profuse and wild extravagance of expenditure. Before we vote for the issue of Treasury notes, I feel it my duty, sir, to inquire to what extent retrenchment may not be carried into the expenditures of the departments. All eyes are turned upon you; the people look to you for relief; and what do we behold? Why, sir, all the inquiry made, all the measures proposed, are merely how to fill the Treasury with money! *Sauve qui peut!* is the cry of the Government. All its efforts are directed to help itself, to save itself; to cut loose from the general wreck, and leave the country to help itself as it best may be able. Is this the duty of a Government?—when we come here for the express purpose of giving relief, then only to bring forward a bill like this, to withhold money from the States; and other bills, as bad in their principle, to raise more money from them, in order to sustain, and help, and fill the Treasury, while nothing is done or thought of for the people?

Mr. BROWN said he had not intended, at that stage of the bill, to delay its early passage by any remarks of his; but in consequence of the observations which had fallen from the two gentlemen who in the course of that morning had addressed the Senate, he would take the occasion to make a few remarks in reply, and in justification of the vote which it was his purpose to give on the measure then before them.

In addition to the arguments which had already been urged, and which to his mind were conclusive, in favor of withholding the fourth instalment payable to the several States on the 1st of October, under the deposite act, another argument, entitled to still more weighty considera-

tion, had decided his mind in favor of that course. If we refuse to pass the bill having that object in view, the obligation will unavoidably devolve on Congress to provide the means to meet the payment of the instalment which will otherwise become due to the States, the available means of the Treasury being inadequate for that purpose. Now he (Mr. B.) could not see in any part of the constitution the power to raise money, and, of necessity, the power to tax our constituents to pay the money thus raised, for the mere purpose of depositing it in the treasuries of the several States. The power to raise money was limited to the objects and duties with which the General Government was charged by the constitution; and in no part of that instrument was the power to be found, either by express grant or implication, to raise it for any such purpose. It could not be pretended that to raise money for such purpose was to carry into effect any power belonging to the General Government. To his mind, therefore, it was a palpable violation of the constitution to exercise such power, which they unquestionably would have to do, in providing the means to meet the remaining instalment, if its payment should not be postponed. He drew a distinction between the power of Congress to authorize the deposite of a surplus in the State treasuries which already existed, and the power to raise money for the sole purpose of thus depositing it. It was in that point of view that he deemed the deposite act of last year justifiable; that act had, in the course of its execution, exhausted the surplus, which was the true object Congress had in view in passing it; and, having fulfilled its great end, he was of opinion its further operation should now cease. He thought the gentleman from South Carolina [Mr. PRESTON] would have much difficulty in reconciling the vote which he had announced his intention to give on this question, with the doctrines of a strict construction of the constitution, of which he had heretofore professed himself a zealous advocate. He called on that gentleman to show what constitutional authority Congress had to pass a law raising money, not in execution of any of its conceded powers, but for the avowed purpose of being deposited with the States. It had been argued by the same gentleman that strong expectations had been created among the States that the instalment which it is now proposed to withhold would be paid over to them, and that an equitable obligation was imposed on Congress not to disappoint those expectations. He contended that the idea of an equitable obligation on Congress to pay over the money was utterly destroyed by the power given to the Secretary of the Treasury in the deposite act to call on the States, under certain restrictions, for the repayment of the sums deposited with them. The power thus given to that officer by the act in question was, in effect, a notice to the States that the Government of the United States might want the money deposited with them; and, in that event, would require its repayment. He considered the same notice as substantially applicable as regarded the instalment yet unpaid, and was, in itself, a very significant indication that Congress would withhold any part of the money unpaid, should a contingency arise making it necessary to do so. That contingency had arisen, making it proper, in his opinion, to withhold that which remained unpaid; but he trusted that none would arise making it necessary to call on the States for that portion of the surplus revenue already deposited with them.

Besides the constitutional objection to raising money for the purpose of depositing it with the States, the unavoidable consequence of providing for the payment of the remaining instalment to them would be to lay the foundation of a new national debt; than which nothing, in his opinion, would be more preposterous, when resorted to for the unauthorized purpose of dividing money among the States. He would in no event vote for any measure leading to the creation of a national debt, unless it could be made to appear indispensable to aid the Government in the performance of its legitimate functions.

It had not been without some surprise that he had heard the charge of harsh and unjust treatment towards the States, in reference to the proposed measure especially, brought against the General Government. Was it nothing that it had in the space of a few months past divided among the States near thirty millions of dollars? Was the distribution of this immense amount among the States (for he regarded it, practically and in point of fact, as a distribution) to be considered nothing? Or was it in this act that gentlemen found reason to complain of oppression, on the part of the General Government, against the States? He really thought, if gentlemen would take a dispassionate review of the conduct of the General Government towards the States, in its pecuniary transactions with them, if they did not find all their most extravagant expectations realized, they would at least find enough, in the magnitude of the distribution which had been made, to exempt the General Government from the harsh censure which they had cast on it.

The gentleman from Kentucky [Mr. CRITTENDEN] has taken strong exceptions to what he has been pleased to term the paternal advice given us by the President, in his message, against the increasing luxury and extravagance in the mode of living, which are rapidly diffusing themselves throughout our country; and thinks that it would have been more becoming in him to have set an example of economy and retrenchment, by the introduction of those principles into his administration, before he ventured his advice on such subjects. It was true (said Mr. B.) that the President had—not in the way of advice, as had been suggested by the gentleman, but in tracing the causes which had led to the present embarrassed condition of the country—enumerated that, among many others, in connexion with the inflated paper system existing in this country and in England, which, acting and re-acting on each other, have, in conjunction with the cause first mentioned, mainly contributed to produce the existing evils—evils which all experience, in both countries, proves belong to the paper system, and periodically recur under it, no matter in what form it exists, whether in the shape of a national bank or of State institutions. He would, however, before finishing his reply to the censure which had been cast on the President for this remark, take the occasion to say to the gentleman from Kentucky, if he would unite in carrying out the recommendation of the President to withhold the fourth instalment to the States, that it would be taking a step of no little importance towards bringing the Government back to economy and retrenchment. The state of the case between the views of the President and the gentleman from Kentucky, in relation to the measure alluded to by him, was simply this: the President recommends the passage of a law postponing the payment of the fourth instalment to the States, amounting to some nine or ten millions, and which the Government, not having the means to satisfy, owing to the default of the deposite banks, will necessarily, if paid, have to provide the means by going in debt for that sum; while the gentleman from Kentucky insists on the payment of the instalment to the States, the effect of which would be to compel the Government to raise the necessary means, either by an issue of Treasury notes or in some other manner. Now, he would submit it to the impartial decision of any one to determine who was for economy and retrenchment, and who was for extravagant expenditure—the President of the United States, or the honorable Senator himself?

We have been told, with much emphasis, (said Mr. B.) that although Congress had been specially convoked by the President, yet no measure of relief had been recommended for the people; that it was all for the Government. While he would say that this declaration was unsustained

by the character of the measures recommended in the message of the Chief Magistrate, he could not permit the occasion to pass without the expression of his sincere regret that language of that character had fallen from any Senator on that floor. The Government of the United States had been spoken of as something alien to the people who were its constituents. Gentlemen surely forgot the principles and theory of our Government, and imagined themselves engaged in combating against a Government of irresponsible powers, and claiming no origin from, or sympathy with, the public will. What, he would ask, was the nature and character of that Government, which it was in this way attempted to rouse public prejudice against, and to induce the belief that its interests were distinct from the great body of the people? Was it not an emanation of that popular will, which it was now sought to turn against it, imbued with the same feelings, and interwoven with the best interests and dearest rights of the great body of the people? Was it to be regarded as a crime, that means should be taken by those sent here to legislate, and by the Executive, whose province it was to see that the laws are executed, to continue the Government in its regular and constitutional action? Heretofore, we had been taught that the preservation of our system of government in its constitutional action, while it was by far an object of higher interest and more universal concernment than any other to every citizen, was at the same time the first and highest duty of patriotism. Language of the kind to which he had alluded had unfortunately been too common among a certain political party in this country; the effect of it was, to produce dissatisfaction in the public mind, and prepare the way for the overthrow of our system of government, by inducing the impression that there is no identity of interests between the people and their own Government. It was not the part of an American statesman, in his humble judgment, to use language calculated to bring the Government into disrepute at home, and to degrade it in the estimation of foreigners abroad.

As to the idea of legislative relief to the country, of which so much had been said in the course of this debate, he must confess that he had but little faith in it. It was true that Congress might, and probably would, grant indulgence to such of the merchants as were debtors to the Government, and required it; and might adopt some other measures affording some incidental benefit to the country; but as to the idea of a legislative remedy to relieve it from its embarrassments, it was, in his opinion, not only impracticable, but at variance with the principles of our Government. What, he would ask, did gentlemen mean by the relief which they had so often spoken of in the course of the debate? Was it that men should be legislated out of debt, who had most improvidently plunged into gambling speculations? Was it that banking corporations should in some way be favored, by our legislation, at the expense of public rights? They had not spoken out as to the measures of relief, on the virtue of which they seemed so much to rely. He ventured to predict, however, whenever these measures of relief were proposed, although they might be brought forward professing to be in the name and for the benefit of the people, they would turn out to be a plan to relieve certain classes at the expense of the great mass of the people. The true doctrine under our system, if he had rightly comprehended it, was for Government to extend its powers no further than to protect individuals in their personal rights and lawful acquisitions of property against fraud and violence, leaving each in the enjoyment of the rewards of his own industry, and to pursue his own happiness in his own way. When Government undertakes to do more, and to interfere in the private pursuits of men, it must of necessity, in endeavoring to relieve one class, violate the rights of another, by doing it at their expense. Such was the doctrine that had been taught by the highest and most revered names on the list of our statesmen. He, therefore, repudiated the doctrine of legislative nostrums to relieve classes who were embarrassed, and believed that such things must mainly work out their own cure; that being the only sure and effectual way of remedying the evil.

While gentlemen in the opposition were so unsparing in their censure against the measures proposed by the administration, they had not condescended, in the plenitude of their skill in curing diseases of state, to propose the panacea which they were ever and anon obscurely hinting at. Without intending to dictate a course of public conduct to them, he must be allowed to say, that when gentlemen condemn so freely the policy and plans of others, they thereby assume an obligation, as faithful representatives of their constituents, to furnish a better, and not to confine themselves simply to a line of condemnation.

He (Mr. B.) did not see in the condition of the country the alarming symptoms and dangerous crisis which had been described in such dark and gloomy colors, and which, however well intended the motives doubtless were that prompted them, were but little calculated, in the present tremulous and sensitive state of public confidence, to allay the evils arising from pecuniary embarrassment. He did not believe that the nation had fallen into the "Slough of Despond," as the gentleman from South Carolina [Mr. PRESTON] had said. It was true that embarrassment had been severely felt in the commercial community, and among other classes who had overtraded and engaged in ruinous speculations; but the great mass of substantial citizens, agriculturists and others, he believed were unaffected, except by the banks having suspended specie payments, which they had done with, he believed, a larger aggregate proportion of specie than they had at any time before possessed. Looking to the condition of our country in contrast with others, he saw no reason to despair, but much to congratulate ourselves on. With no national debt weighing on our resources; with a population possessed, to an unexampled degree, of the means of human subsistence and happiness; with a country of unlimited capacity for the production of every thing essential to supply its wants and comforts; and, above all, remembering that our free and noble institutions yet survive, who does not feel that we stand in proud and gratifying contrast with any other nation? Checked in its prosperity, it might be, for a short time, by the causes which had operated, on both sides of the Atlantic, to produce an imprudent extension of the credit system; but he denied that the substantial resources of the country were even touched by the events which had happened in the last six months. Many individuals, in commercial and other pursuits, had fallen beneath the pressure of the times; others, perhaps, would share the same fate. Property had, and would, he did not doubt, in very many more instances, change proprietors; but it would still remain in the country, leaving us in possession of all the substantial elements of individual happiness and national greatness. He saw nothing in the present crisis to produce despondency, but much to animate our hopes, in looking through the perspective of the future. No country on earth, he believed, possessed, in a higher degree, the faculties of self-recovery. Its onward course might be retarded for a very short period, but could not be arrested by the causes now operating.

He could not admit that the country was so absolutely dependent on banks for its prosperity, as was supposed by some. As a citizen of this republic, he should feel humiliated to make such an admission. The true sources of its prosperity are to be found in the enterprise and industry of our citizens; in the inexhaustible natural resources in which it abounds; and in our free Government, which, by protecting each citizen in the enjoyment of the fruits of his labor, quickens enterprise and invigorates exertion. Not-

withstanding these views, he was, however, far from either expecting or wishing the abolition of the paper system; the most that could be effected was, to subject it to salutary restrictions, by lessening its capacity to do mischief, and to infuse into it a greater proportion of metallic currency. These correctives could be applied only by the joint agency of the States and the General Government, which were demanded as well by the public voice, as the best interests of the country. He repeated, therefore, that he saw nothing in the condition of the country to inspire alarm—nothing that the public virtue and intelligence were not fully able to meet, and in a short time to overcome. For this we had the best guaranty in the abundant capacity which the nation had shown to rise above all difficulties, in seasons infinitely more trying than any to be found in its present condition.

Mr. WALKER said, without discussing at this time the great question debated by the Senator from Massachusetts, [Mr. WEBSTER,] in regard to the paper currency of the country, and the supreme control which he claims on this subject, and all that relates to it, for the Government of the United States, he would proceed at once to the inquiry now before us—whether it would be proper to postpone paying over to the States the last instalment under the deposite act. This instalment amounted to a sum exceeding nine millions of dollars. The report of the Secretary of the Treasury informs us that the money is not in the Treasury to pay the instalment. Even in the event of the postponement of this deposite with the States, there is still a deficiency in the revenue, which the Secretary asks to be supplied by the emission of Treasury notes. It is, then, obvious, that if this instalment is to be paid to the States on the 1st of October next, it can only be effected by an emission of an additional amount of Treasury notes bearing interest; or, in other words, by the creation of a new national debt, arising from a new loan, in order to deposite the amount for safekeeping with the States of this Union. Disguise it then as we may, the refusal to pass this bill is a determination on our part to borrow more than nine millions of dollars on the credit of the United States, to be deposited for safekeeping with the States of this Union. The constitution authorizes us to borrow money on the credit of the United States—but for what object? Clearly for no other than to carry into effect the powers delegated by the constitution. But that this Government could borrow millions, without limitation as to the amount, for the purpose of depositing it with, or distributing it among, the States, was to clothe this Government with the most alarming and despotic powers. If this Government can make such a loan for such a purpose, the taxing power is unlimited; for by taxes only can it raise the money to refund what it has borrowed. Mr. W. said he was one of a small minority of six in the Senate who had voted against this deposite bill. He had then predicted the disastrous consequences that he thought would follow from the passage of this bill; and his worst fears would be realized, if now, when there was a deficit in the Treasury, when many of the public creditors had to be paid in protested drafts on broken banks, a surplus was created by loans, for the purpose of distributing among the States of the Union.

Mr. W. said he well knew the voracious character of the surplus spirit; that it was ready to keep up the tariff, to keep up the price of the public lands, and to refuse all relief to the settlers of the West, for the purpose of creating a surplus for distribution; but he could scarcely have believed that now, when we must in any event replenish, by loans, an exhausted Treasury, new loans would be asked for to the amount of nine millions for distribution—loans to be refunded, if not from the lands of the West, from the tariff; by which Mississippi, now nearly the greatest exporting State of this Union, will receive but about one-fourth as much as she will be compelled to refund by the operation of the tariff—reducing the price of her great staple, to enrich the incorporated monopolists of other sections of the Union. Mr. W. said he must be blind indeed, who did not perceive that to raise, by loans, nine millions for deposite with the States, is, to the extent of nine millions, to render it necessary to augment the tariff. It is true, we talk of getting back this money from the States; whilst a majority of the Senate—as he (Mr. W.) thought most unwisely—have just taken from the Secretary of the Treasury the authority which he possessed, under the deposite act, to call upon the States to refund any portion of the money already deposited. And now he (Mr. W.) predicted that Congress never would make any requisition upon the States for this money, but that, when it was wanted, the South would be compelled to raise it through the operation of the tariff. Could any man doubt this result, when so bold an effort was now made to induce the Government to borrow money to pay the last instalment to the States?

But the Senator from South Carolina [Mr. PRESTON] tells us that we can obtain this money for deposite among the States by repealing some of the appropriation bills. Sir, the Senator from South Carolina [Mr. CALHOUN] has most clearly shown the impossibility of obtaining a repeal of laws partly executed, passed by large majorities in both Houses of Congress. But if the appropriation bills were repealed to-morrow, to the extent proposed, it would not put one dollar in the Treasury, now exhausted; nor enable the Government on the 1st of October next, now at hand, to deposite these nine millions with the States of the Union; for, in the calculation of the Secretary of the Treasury, the expenditure of fifteen millions of these appropriations is postponed till next year. But we have been told by the Senator from Massachusetts, [Mr. WEBSTER,] that this amount may be paid to the States by the money in the deposite banks, whose paper would be gladly received by the States in which they are located. It has been already shown by the Senator from New York, [Mr. WRIGHT,] that the entire money now in the deposite banks, subject to new drafts, is not enough, by more than a million, to meet the required amount of the last deposite instalment; but if it were enough, let us examine the effect of this proposition. It is to pay the States in the paper of the deposite banks, by new issues of paper by those banks to an amount exceeding nine millions of dollars; to pay out, in other words, more than nine millions of depreciated bank paper, issued by banks that have suspended specie payments. And is this the relief the Senator from Massachusetts would extend to the community? Sir, (said Mr. W.) nearly all the embarrassments of the community have been occasioned by the vast over-issues of paper by the banks—paper which they cannot now redeem in specie, and which has depreciated from ten to thirty per cent. in various sections of the Union. Is it not clearly perceived that this would greatly increase the embarrassments of the community? that it would add greatly to the present enormous mass of depreciated paper? that it would still further depreciate all the paper of all the banks making the new emissions; postpone for a long time, if not indefinitely, the resumption of specie payments by the banks, by augmenting nearly one-third the amount of their depreciated paper; and thus, also, disable them from extending the least indulgence to their debtors by this vast increase of their circulation; imposing the correspondent obligation of calling in their debts as rapidly as possible to the same amount? If (said Mr. W.) this proposition of the Senator from Massachusetts be a part and portion of the plan of the opposition for relieving the embarrassments of the country, he had no curiosity to hear the remainder of their proposition.

Mr. PRESTON rose in reply to the two last named. He said he would restate some of his objections to the bill before the Senate, because he had been misapprehended by Senators. He had not said—nor did he intend to permit

himself to be represented as having said—that he thought it better to create a national debt than to recall the money deposited with the States. He had presented no such proposition. But he did say that he would execute the deposite law in good faith; and if the Treasury should be empty, he would then draw on the State deposites, *in the time and manner prescribed by the law.* He had, therefore, taken the ground that the Treasury was not empty, except nominally; because not only was the money deposited with the States virtually in the Treasury, but the extravagant unexpended appropriations of last session constituted a fund on which Congress ought now to draw; and Mr. P. proposed that Congress should do this. Six millions more than was called for by the department had been appropriated, and Congress had thus become the principal actor in this prodigality. But further: there was other money in the Treasury which should be taken, rather than to withhold this from the States, or to create a national debt. But if this were not so, the bill now presented is not the proper alternative. If it be necessary now to draw upon the deposite fund, do so according to the provisions of that act, which enables the Secretary, whenever the Government stands in need of money, to call upon the States for it, giving due notice of the demand. Without the stipulation to draw only upon notice, the States might not have consented to receive the deposites; for it would be obviously burdensome to be prepared at all times to pay millions on a draft at sight. It is not keeping good faith with the States, therefore, to stop this fourth instalment, which they have used in anticipation of its receipt, upon so short a notice—indeed, without notice at all.

[Mr. MORRIS was here understood to say that there was no such understanding with the States.]

It was strange (Mr. P. said) if there was no such understanding. He had taken it for granted that the States would get it; and the States certainly had so taken it for granted. If it were not so, why had Virginia, New York, Kentucky, and other States, already used this instalment? The law was explicit that the money should be deposited with the States; and all its other provisions related to the manner of investing and withdrawing it, without any intimation of its being withheld in any event. Under the faith of this law, the States had a right to make the arrangements which they did; and Congress ought, in equity and good faith, to conform to the provisions of that law accordingly. On the supposition that there were no other funds in the Treasury for the use of the Government, Mr. P. would suggest that this bill ought not to pass, but that the prior instalments should be called for. Take openly the responsibility of recalling the deposites; and appropriate them, not to pay a debt, but to pay for harbors, fortifications, and other matters on which money had been squandered for the sake of being squandered. Let the States, the people, the masters of Congress, know clearly what Congress were about.

And if this money was to be withheld from the States for such purposes, how was it to be obtained? By crushing the banks? Mr. P. was gratified to hear that the Senator from North Carolina [Mr. BROWN] and his constituents were not dependent on the banks. But Mr. P. said that in his judgment a very large amount of property, and, indeed, the general prosperity of the country, would be endangered by the ruthless war which, for political purposes, was now to be waged against State institutions. They are denounced by the administration—threatened with a bankrupt law applicable to them alone; and now it is proposed to put them all at the mercy of this administration—within the reach of its menaces—by transferring nine millions of debt due by them, from the States, who are their guardians and protectors, and participate in their prosperity or adversity, and would therefore relieve them as far as practicable, to this rash and hostile Government.

Go (said Mr. P.) to these States for this money—recall the first instalment—take the responsibility—come out boldly, and demand it back; but do not smuggle it from them—give them the notice required by the law, and recall it in such sums, and at such times, as the law specifies. My word for it, they will repay it according to the law; and they will see that other States pay it back, too, if the Treasury requires it.

I concur with the Senator from North Carolina that it is unconstitutional to borrow money or lay taxes for the purpose of distribution or safekeeping. I was not guilty of any such absurdity. Neither, sir, am I disposed to do so for any further financial experiments. The gentleman exclaims, No more nostrums for him! He is not disposed to take up with any of these nostrums. Sir, we have had nostrum after nostrum. The body politic has been in hot water, bled, dieted, depleted; and is now reduced to a state of great debility. The gentleman now repudiates nostrums; but does he do it truly? O, yes! We have had, and yet have, the best of currencies—a noble experiment, by which the body politic was to be cured of all its diseases! And so it has been, the gentleman always said, up to the present session of Congress. The body politic has been cured, invigorated, expanded, by the glorious pet-bank nostrum.

And now the honorable gentleman is for tonics—the *aqua regia*—the gold currency—to the exclusion of paper money. Sir, I am tired of all this. Changing the experiments will not do. I wish to change the experimenters, who have broken and blown up their whole laboratory, to the destruction and ruin of the country, and who now propose to build up a new system of experiments on the fragments and ruins of the past.

I wish, sir, I could concur with the Senator when he says the condition of the country is not so bad, after all, as it has been represented. I wish he may be right. But is it prosperous? It is not long since the people of this country raised an exclamation of joy, from all quarters, at the apparent prosperity of the country, which, like a majestic ship, was sailing gloriously onward on the smooth, glassy, peaceful surface of an unbounded ocean; but, while they look, it is foundered, sunk, gone, overwhelmed in a moment by the very element on which it appeared so lately riding triumphant.

But the gentleman says he regrets to hear us speak of the Government as something foreign, alien, hostile to the people. Sir, I was not aware that I spoke in that manner, though I had good cause to feel that its action was severe, at least on my portion of the country. But I am not at all in favor of its being alien or foreign to the States.

I am in favor of a Government and an administration that will identify the interests of the country with its own, and share the destiny of the people. But let those themselves beware, who are so earnest to procure from the people support for Government, lest the Government, not touching favorably the States and people in return, should force them from that position of identity of interests and mutual dependence; and the Government, like a huge engine turned from its proper and legitimate course, should run over and crush beneath it the States and the people. We who are the advocates of State rights are not liable to censure in that quarter.

Mr. P. concluded by remarking that it did not belong to him to make any distinct proposition, or to bring forward any specific plan of action. He did not appear here as a builder up, or as an architect in any political measures. He belonged to a small minority, which had it not in their power to carry into effect any object, however valuable or beneficial to the country. All he could do was to point out errors in the building which the majority were carrying up. He might tell them where any defect might lie; he might show where their plan was

defective, or their foundation unsteady, or the capital out of proportion to the shaft, or where the corners wanted polishing and rounding off. This was all he could do; and even this he well knew would be done in vain, for he did not expect that those gentlemen (who, being in the majority, carried every thing their own way) would be inclined to listen to the advice, or to profit by the admonitions of himself and other members of a small minority. But he would entreat that majority not to be rash or precipitate in their course; not to sacrifice the public good while they triumphed in the exercise of their power; not to lay heavy burdens upon the States, when the absolute necessity of doing so was not very apparent. He entreated them to adopt the best plans to effect the objects they had in view. For the object now in view, he concluded by saying this bill did not appear to him to mark out the best plan.

The question was then put on the passage of the bill, and decided as follows:

YEAS—Messrs. Allen, Benton, Black, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Linn, McKean, Morris, Niles, Pierce, Rives, Roane, Robinson, Ruggles, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright—28.

NAYS—Messrs. Bayard, Clay of Kentucky, Clayton, Crittenden, Kent, Knight, Nicholas, Norvell, Preston, Robbins, Smith of Indiana, Southard, Swift, Tallmadge, Webster, White, Young—17.

So the bill was passed, and sent to the House of Representatives for concurrence.

TREASURY NOTES.

The bill authorizing the issue of Treasury notes was next taken up as in Committee of the Whole.

Mr. WRIGHT moved to fill up the first blank in the bill with the word "ten," thereby making the amount of notes to be issued ten millions of dollars.

Mr. W. said that it had not been possible for the committee to know the amount of the notes necessary until action had been had on the bill to postpone the fourth instalment to the States; which bill having now passed the Senate, he was able to fill up the blank. He had had an interview on the subject with the Secretary of the Treasury, and he had learned from that officer that, on the supposition that no more extension would be granted than was proposed by the bill for extending the duty bonds, he had thought the sum of eight millions would be sufficient. This was, however, on the supposition that the Bank of the United States would pay in October the instalment then due to the Government by that institution. But it was understood by the Secretary and the committee that this would not be done, that bank having bought up Treasury drafts issued in July for the payment of the third instalment to the States, and intending to give in those drafts in payment of the instalment then due from the bank. This being the case, the Secretary would require that the blank be filled up with nine million five hundred thousand dollars; and therefore, on this calculation, the committee had instructed him (Mr. W.) to move for ten millions.

Mr. CLAY, of Kentucky, was very desirous of obtaining more full information relating to one point; and that was, that as a bill had now passed the Senate for arresting the payment of the fourth instalment to the States, and since the fund intended for the use of the States was now to be applied to the use of Government, if it was intended to employ the funds in the banks before being reduced in some way or other to a specie basis, whether Government intended by laws passed, or to be passed—such, for example, as a bankrupt law—to force the conversion of the funds now in the banks into metal, and then throw the sum thus obtained from the banks into the Treasury, there to lie without being used! His inquiry was not, he thought, useless, since it must be evident that the amount of the blank must depend upon the availability of the funds in the banks.

Mr. WRIGHT said it had been ascertained, and was so stated in the Secretary's report, that all the money in the banks subject to draft on the 28th of August last amounted only to eight million one hundred and sixty-six thousand dollars. Out of that sum the expenses for the month of September were to be taken, which would leave the sum reduced to about two millions and a half by the 1st of October. But, if the outstanding drafts should come in on the Treasury, (many of them being protested,) in that case the available amount would still be diminished, and the Treasury would be in want of means. There were, therefore, no ready means without the assistance of Congress. In all the Atlantic coast, the money in the banks had for the most part been withdrawn, (only a small sum subject to drafts being with them—say less than a million,) and creditors were not willing to receive drafts upon the South-western banks, where now almost all the funds in deposite with banks were placed.

Such being the case, and such the amount of unavailable money, the object of issuing Treasury notes was to anticipate the funds in deposite with the banks until Congress should say how those funds were to be made available. The Committee on Finance had reported a bill giving to those banks intervals of two, five, and eight months in which to pay the sums due; dividing the balance in their hands into three instalments. Again: the extension granted already, and proposed still to be granted, on bonds, would diminish the means of the Treasury; from all which considerations, the issue of these notes was rendered necessary to meet the current expenses.

Mr. CLAY, of Kentucky, professed himself greatly obliged by the valuable information communicated by the honorable Senator, [Mr. WRIGHT;] but he still felt that the inquiry which he had wished to make was not yet answered. He meant to inquire if the money in the banks was to be used as bank-notes, or if the banks were to be compelled to pay them in specie; and then, if these funds were to be left idle?

Mr. WRIGHT, in reply, said they would not be used as bank-notes unless the law should authorize them so to be used.

Mr. CLAY: Then it comes to this: we have passed a bill to take funds out of the hands of those who would have been glad to use them, to put them into the hands of others who refuse to acknowledge and make use of them. The States would have been glad to receive this money in the shape of bank-notes, and we have taken it from them. Again: Government refuses to call them funds in that shape; and to Government we have now made them over by the bill just passed! And as Government, though it receives those funds, and prevents their being paid to the States, will not acknowledge them as funds, there is a deficiency existing; and this deficiency is to be supplied by issuing Treasury notes, in order that Government may be able to get along. That is to say, Government will not receive the paper of the country, and is about to create a paper of its own, which the country is expected to receive! And thus, all the promises which have been made to us of the flowing of gold and silver all over the country—these promises of a better currency result in the issue of ten millions of paper money!

Mr. KING, of Georgia, read to the Senate a statement and estimate of some length, which was inaudible in the reporter's gallery.

Mr. WRIGHT then moved to fill up the second blank in the bill with the words "not exceeding twenty thousand dollars." This sum, Mr. W. explained, was intended to defray the expenses incurred by the execution of

the act, and was made upon an estimate of the bill of 1812. Agreed to.

Mr. CLAY, of Alabama, moved to insert a provision that Government should not be permitted to make any purchase of these notes in the public market below par.

Mr. WRIGHT could see no possible objection to this amendment.

Mr. CLAY, of Kentucky, saw a great objection to such an amendment. He thought the country should have the benefit of the market as well as individuals; when, from an excess in the market, the number was too great, and the price had fallen below par, then was the very time for the Secretary to go into the market and purchase. The commissioners of the sinking fund had acted in this way, and the country had reaped the benefit of it.

Mr. CLAY, of Alabama, grounded his amendment on the principle, that, as it would be disreputable for individuals to buy up their own notes at a depreciated value, so also it would be disgraceful for Government to do the same thing.

The amendment offered by Mr. CLAY, of Alabama, was then agreed to.

Mr. CRITTENDEN was understood to call upon the chairman of the Committee on Finance for some explanation relative to the payment of clerks to be employed; which payment, by the provisions of the bill, is left discretionary, as to the amount of salary, with the Secretary.

Mr. WRIGHT explained the necessity of leaving this matter at the discretion of the Secretary, since it was impossible to say for what length of time the services of the clerks might be required—whether for a year, or less than a year.

At this stage of the bill, Mr. CALHOUN expressed a wish that a postponement of the bill until to-morrow might be allowed, for an examination into some points.

Mr. WRIGHT made a few observations, expressing his assent to Mr. CALHOUN's proposal.

Mr. WEBSTER said he earnestly hoped that, whatever other delay occurred, no delay whatever would be permitted to be had on the bill for the extension of merchants' bonds; but, to give the time requested by Mr. CALHOUN, he moved an adjournment; and

The Senate adjourned.

SATURDAY, SEPTEMBER 16.

TREASURY NOTES.

The Senate resumed the consideration of the bill authorizing the issue of Treasury notes.

Mr. CALHOUN said he had turned his attention to the bill, but had found great difficulty in bringing his mind to a satisfactory conclusion respecting it. The very point which the Senator from Massachusetts so much approved (allowing interest) was one which constituted an objection to the bill, in the view of Mr. C. Neither was he satisfied to give up his opinion to any one scheme, till he understood what was to be done on the great point involved in the subject of this bill, namely, the separation of Government from all banks. All ought to verge to this point, even if considered as a measure of relief. As the law now was, the Secretary of the Treasury was compelled to receive the notes of all specie-paying banks. Of course, when specie payments should be resumed, all would be received. If this should occur, and if Congress should adjourn without altering the law, the result would be, that the Government would, under the sub-treasury system, have the custody of the money, but would collect it in bank-notes. If it was intended to restore the connexion between the Government and the banks, this bill ought to be different; and if it was not so intended, it still ought to be different. Mr. C. could support it as it was, in neither alternative.

But he designed to move an amendment to this bill, which would serve as a testing question, whether it was the object or not to make a separation between the banks and the Treasury. If it was intended to make such separation, now was the acceptable time. And if it was not done now, it would perhaps never be done. The question was one of great magnitude; and Mr. C. therefore hoped that the subject would be postponed till Monday, by which time he hoped to be prepared to offer the amendment which he had indicated.

On this great point Mr. C.'s opinion had been long made up; and he believed, firmly, that the only alternative was a separation from all banks, or a Bank of the United States. He had so declared it in the debate of 1834, and he had never seen any reason to change his opinion. On the contrary, the catastrophe at the present time had greatly confirmed that opinion. In his view, it was one of the greatest questions that had been, or that could be, presented to this body. And, further, it was due to the country, to themselves, and to posterity, that gentlemen on all sides should meet this question openly, boldly, and decidedly. He entreated them to show their hands, as Mr. C. would show his, and go on with the question. He moved to postpone the bill till Monday.

Mr. WRIGHT said he was not disposed to deny to the Senator from South Carolina any opportunity to consider the subject, which could properly be allowed. Neither was he unwilling to act on the proposition which the Senator considered so very important, when the proper time should come for so doing. But his own opinion was, that the proposition of the Senator ought not to be connected with this bill. Whatever Congress might do on that subject, the Treasury must have the means to go on; and it was well known that on the question referred to by the Senator there was a great difference of opinion in both Houses of Congress. The object was in itself entirely distinct from that of this bill, and one could not interfere with the other. The committee had been careful so to frame the bills as to make them independent of each other. It was most plainly necessary that this bill should pass without delay. The Treasury could not satisfy the public creditors any way acceptably for more than twenty, and perhaps not fifteen, days longer, without aid from Congress. Mr. W. therefore hoped, without any disposition to press the Senator, but because the two propositions were independent, that the Senate would not postpone this bill.

Mr. CALHOUN said it was impossible for him to say what ought to be done on this bill till he could know how the Executive would shape its course. Mr. C. was willing to grant the relief, (to the Treasury,) but he would not do it in the dark. The great point was the one to which he had alluded, and to that all kindred measures ought to have a reference. If time should not be given him, Mr. C. would vote against this bill, and would forever disconnect himself from all responsibility as to the result. He knew that all ought to feel a proper sensibility for the embarrassments of the Government, but he felt still more for those of the country; and he thought it infinitely more important that all should be well, rather than speedily, done; and, as far as his voice had any power, it should be done well. On this question, as the chairman of the committee was opposed to a postponement, Mr. C called for the yeas and nays; which were ordered.

Mr. BENTON said that, as one connected as he had been with the deposite bill, he could not agree to vote for any postponement of the bill which might have the effect of connecting any other proposition with it.

Mr. WALKER said he could not know fully the importance of the amendment proposed by the Senator from South Carolina till he should hear his views on the subject, which he, (Mr. W.,) and he believed the whole country, were anxious to know. He hoped, therefore, that the delay asked for would be granted.

Mr. KING, of Alabama, said no Senator was more desirous than he to give the opportunity requested. But he thought the subject so disconnected as to render a postponement of this bill unnecessary. When the subject of the bank and Treasury connexion should come up, a great deal of time would be necessarily consumed upon it. The committee of the Senate had looked into the subject, and had differed upon it. He hoped the Senate would see the necessity of acting on this bill at once; and if any other and better form could be given to it, he hoped it might be done without discussing the great question of bank and Treasury connexion.

Mr. CALHOUN said that this unexpected opposition required that he should go a little into detail. If it was the intention of the Senate, or rather of the administration, to restore gradually the connexion between the Government and the banks, in that event, instead of issuing Treasury notes, they ought at once to resort to a provisional loan, made in notes of the State banks, and then pay off the loan as the means should come in; or, otherwise, they should issue Treasury notes so as to constitute a currency. No Senator could properly know how to act, unless he knew the course to be pursued on the principal point. There never had been a better time to separate the Treasury and the banks; and, if to be done at all, it ought to be done at once. Mr. C. wished to be put in a position that he might vote understandingly on measures for the relief of the country. The demands of the Treasury he considered as trifling, compared with the settlement of this great question.

Mr. NILES remarked, that as the gentleman from South Carolina wished to bring before the Senate his proposition, and as it must come before us and before the country sooner or later, the sooner it came the better; and he would vote in accordance with the wishes of the gentleman.

Mr. WRIGHT said his great objection was to the connexion of these two subjects, which must result unavoidably in injury to the public interest by the delay of this bill. He, therefore, desired that they might be kept separate. He had personally no design gradually to restore the connexion of the Treasury and the banks. As to the design of the administration on this point, he knew no more than the Senator from South Carolina.

The question was then taken on postponing the bill till Monday, and decided in the affirmative by the following vote:

YEAS—Messrs. Bayard, Black, Brown, Calhoun, Clay of Kentucky, Clayton, Crittenden, Grundy, Kent, King of Georgia, Knight, Linn, McKean, Nicholas, Niles, Preston, Roane, Robbins, Robinson, Ruggles, Sevier, Smith of Connecticut, Southard, Strange, Walker, Wall, White, Young—28.

NAYS—Messrs. Allen, Benton, Buchanan, Clay of Alabama, Fulton, Hubbard, King of Alabama, Lyon, Morris, Norvell, Pierce, Smith of Indiana, Swift, Tallmadge, Tipton, Webster, Williams, Wright—18.

On motion of Mr. CALHOUN, the Senate then adjourned.

MONDAY, SEPTEMBER 18.

Mr. RIVES gave notice that he should to-morrow ask leave to bring in a bill designating the funds to be received by Government in payment of public dues.

Mr. R. observed, that he had, on a former day, intimated his intention of proposing a bill of this description himself, in the event that no similar bill should be reported by the Committee on Finance. He viewed the neglect of this highly important subject likely to be of such serious consequence to the community at large, that he felt himself bound to act on the occasion by bringing in a bill calculated to do justice to the people in this particular.

Mr. WRIGHT presented a petition from the merchants, importers, and other citizens of the city of New York, relating to the extension on revenue bonds.

Mr. W. remarked, that as the Committee on Finance had already instructed him to report a bill on this subject, he should move that the petition be laid upon the table and printed for the use of the Senate.

Agreed to.

Mr. WRIGHT also presented a memorial from several merchants and other citizens of the city of New York, sufferers from the great conflagration of 1835, praying for the remission of duties upon goods burnt in that fire.

Mr. W. observed, that though the Senate had expressed a determination to attend to no business in this session, other than that marked out by the message, yet, as this was a subject so intimately connected with the interest and welfare of the mercantile community, he should, if there were no objection, depart from that determination in the present instance, and move that this memorial be referred to the Committee on Finance.

Agreed to unanimously.

The following joint resolution from the House of Representatives was then taken up and adopted unanimously, viz:

Resolved, That the following be added to the standing rules, to wit: No spirituous liquors shall be offered for sale or exhibited in the Capitol, or on the grounds adjacent.

TREASURY NOTES.

The bill for the issue of Treasury notes having been postponed to this day, in order to give Mr. CALHOUN an opportunity of preparing an amendment, and of offering his sentiments generally upon the subject, was now resumed by the Senate.

Mr. CALHOUN rose and addressed the Chair as follows:

Mr. President: An extraordinary course of events, with which all are too familiar to need recital, has separated, in fact, the Government and the banks. What relation shall they bear hereafter? Shall the banks again be used as fiscal agents of the Government—be the depositories of the public money—and, above all, shall their notes be considered and treated as money, in the receipts and expenditures of the Government? This is the great and leading question; one of the first magnitude, and full of consequences. I have given it my most anxious and deliberate attention; and have come to the conclusion that we have reached the period when the interest both of the Government and the banks forbids a reunion. I now propose to offer my reasons for this conclusion. I shall do it with that perfect frankness due to the subject, to the country, and to the position I occupy. All I ask is, that I may be heard with a candor and fairness corresponding to the sincerity with which I shall deliver my sentiments.

Those who support a reunion of the banks and the Government have to overcome a preliminary difficulty. They are now separated by operation of law, and cannot be reunited while the present state of things continues, without repealing the law which has disjoined them. I ask, who is willing to propose its repeal? Is there any one who, during the suspension of specie payments, would advocate their employment as the fiscal agents of the Government, who would make them the depositories of the public revenue, or who would receive and pay away their notes in the public dues? If there be none, then it results that the separation must continue for the present, and that the reunion must be the work of time, depending on the contingency of the resumption of specie payments.

But suppose this difficulty to be removed, and that the banks were regularly redeeming their notes: from what party in this body can the proposition come, or by which can it be supported, for a reunion between them and the Government? Who, after what has happened, can advo-

cate the reunion of the Government with the league of State banks? Can the opposition, who for years have been denouncing it as the most dangerous instrument of power, and efficient means of corrupting and controlling the Government and country? Can they, after the exact fulfilment of all their predictions of disastrous consequences from the connexion, now turn round and support that which they have so long and loudly condemned? We have heard much from the opposite side of untried experiments on the currency. I concur in the justice of the censure. Nothing can be more delicate than the currency. Nothing can require to be more delicately handled. It ought never to be tampered with, nor touched, until it becomes absolutely necessary. But if untried experiments justly deserve censure, what condemnation would a repetition of an experiment that has failed deserve?—an experiment that has so signally failed, both in the opinion of supporters and opponents, as to call down the bitter denunciation of those who tried it. If to make the experiment was folly, the repetition would be madness.

But if the opposition cannot support the measure, how can it be expected to receive support from the friends of the administration, in whose hands the experiment has so signally failed as to call down from them execrations deep and loud?

If, Mr. President, there be any one point fully established by experience and reason, I hold it to be the utter incompetency of the State banks to furnish, of themselves, a sound and stable currency. They may succeed in prosperous times, but the first adverse current necessarily throws them into utter confusion. Nor has any device yet been found to give them the requisite strength and stability, but a great central and controlling bank, instituted under the authority of this Government. I go farther. If we must continue our connexion with the banks—if we must receive and pay away their notes as money, we not only have the right to regulate and give uniformity and stability to their value, but we are bound to do so, and to use the most effective means for that purpose. The constitution makes it our duty to lay and collect the taxes and duties uniformly throughout the Union; to fulfil which, we are bound to give the highest possible equality of value, throughout every part of the country, to whatever medium it may be collected in; and, if that be bank-notes, to adopt the most effective means of accomplishing it, which experience has shown to be a Bank of the United States. This has been long my opinion. I entertained it in 1816, and repeated it in my place here on the deposite question in 1834. The only alternative then is, disguise it as you may, between a disconnexion and a Bank of the United States. This is the real issue to which all must come, and ought now to be openly and fairly met.

But there are difficulties in the way of a national bank, no less formidable than a reconnexion with the State banks. It is utterly impracticable, at present, to establish one. There is reason to believe that a majority of the people of the United States are deliberately and unalterably opposed to it. At all events, there is a numerous, respectable, and powerful party—I refer to the old State-rights party—who are, and ever have been, from the beginning of the Government, opposed to the bank; and whose opinions, thus long and firmly entertained, ought at least to be so much respected as to forbid the creation of one, without an amendment of the constitution. To this must be added the insuperable difficulty, that the Executive branch of the Government is openly opposed to it, and pledged to interpose his veto, on constitutional grounds, should a bill pass to incorporate one. For four years, at least, then, it will be impracticable to charter a bank. What must be done in the mean time? Shall the Treasury be reorganized to perform the functions which have been recently discharged by the banks; or shall the State institutions be again employed until a bank can be created? In the one case, we shall have the so much vilified and denounced sub-treasury, as it is called; and, in the other, difficulties insurmountable would grow up against the establishment of a bank. Let the State institutions be once reinstated, and reunited to the Government as their fiscal agents, and they will be found the first and most strenuous opponents of a national bank, by which they would be overshadowed and curtailed in their profits. I hold it certain, that, in prosperous times, when the State banks are in full operation, it is impossible to establish a national bank. Its creation, then, should the reunion with the State banks take place, will be postponed until some disaster, similar to the present, shall again befall the country. But it requires little of the spirit of prophecy to see that such another disaster would be the death of the whole system. Already it has had two paralytic strokes—the third would prove fatal.

But suppose these difficulties were overcome, I would still be opposed to the incorporation of a bank. So far from affording the relief which many anticipate, it would be the most disastrous measure that could be adopted. As great as is the calamity under which the country is suffering, it is nothing to what would follow the creation of such an institution under existing circumstances. In order to compel the State institutions to pay specie, the bank must have a capital as great, or nearly as great, in proportion to the existing institutions, as the late bank had, when established, to those of that day. This would give it an immense capital—not much less than one hundred millions of dollars; of which a large proportion (say twenty millions) must be specie. From what source is it to be derived? From the State banks? It would empty their vaults, and leave them in the most helpless condition. From abroad, and England in particular? It would reproduce that revulsive current which has lately covered the country with desolation. The tide is still running to Europe, and, if forced back by any artificial cause before the foreign debt is paid, cannot but be followed by the most disastrous consequences.

But suppose this difficulty overcome, and the bank reestablished; I ask, what would be the effects under such circumstances? Where would it find room for business, commensurate with its extended capital, without crushing the State institutions, enfeebled by the withdrawal of their means in order to create the instrument of their oppression? A few of the more vigorous might survive; but the far greater portion, with their debtors, creditors, and stockholders, would be involved in common ruin. The bank would, indeed, give a specie currency, not by enabling the existing institutions to resume, but by destroying them and taking their place.

Those who take a different view, and so fondly anticipate relief from a national bank, are deceived by a supposed analogy between the present situation of the country and that of 1816, when the late bank was chartered, after the war with Great Britain. I was an actor in that scene, and may be permitted to speak in relation to it with some little authority. Between the two periods there is little or no analogy. They stand almost in contrast. In 1816, the Government was a debtor to the banks—now, it is a creditor; a difference of the greatest importance, as far as the present question is concerned. The banks had overissued, it is true, but their over-issues were to the Government—a solvent and able debtor, whose credit, held by the banks in the shape of stock, was at par. It was their excessive issues to the Government on its stock which mainly caused the suspension; in proof of which, it is a remarkable fact, that the depreciation of bank paper under gold and silver was about equal to the proportion which the Government stock held by the banks bore to their issues. It was this excess that hung on the market and depressed the value of their notes. The solution is easy. The banks took the Government stock, payable in twelve years, and issued

their notes for the same, payable on demand, in violation of the plainest principles of banking. It followed, of course, that when their notes were presented for payment, they had nothing but Government stock to meet them. But its stock was at par, and all the banks had to do was to go into market with the stock they held, and take up their notes; and thus the excess which hung upon the market, and depressed their value, would have been withdrawn from circulation, and the residue would have risen to par, or nearly par, with gold and silver; when specie payments might be easily resumed.

This they were unwilling to do. They were profiting every way—by drawing interest on the stock, by discounting on it as capital, and by its continued rise in the market. It became necessary to compel them to surrender these advantages. Two methods presented themselves: one a bankrupt law, and the other a national bank. I was opposed to the former then, as I am now. I regarded it as a harsh and unconstitutional measure, opposed to the rights of the States. If they have not surrendered the right to incorporate banks, as is conceded, its exercise cannot be controlled by the action of this Government, which has no power but what is expressly granted, and no authority to control the States in the exercise of their reserved powers. It remained to resort to a national bank as the means of compulsion. It proved effectual. Specie payments were restored; but even with these striking advantages, it was followed by great pressure in 1818,'19 and '20, as all who are old enough to remember that period must recollect. Such, in fact, must ever be the consequence of resumption, when forced, under the most favorable circumstances; and such, accordingly, it proved even in England, with all her resources, and with all the caution she used in restoring a specie circulation, after the long suspension of 1797. What, then, would be its effects in the present condition of the country, when the Government is a creditor instead of a debtor—when there are so many newly-created banks without established credit—when the over-issues are so great, and when so large a portion of the debtors are not in a condition to be coerced? As great as is the tide of disaster which is passing over the land, it would be as nothing to what would follow were a national bank to be established as the means of coercing specie payments.

I am bound to speak without reserve on this important point. My opinion then is, that, if it should be determined to compel the restoration of specie payments by the agency of banks, there is but one way; but to that I have insuperable objections—I mean the adoption of the Pennsylvania Bank of the United States as the fiscal agent of the Government. It is already in operation, and sustained by great resources and powerful connexions, both at home and abroad. Through its agency specie payments might undoubtedly be restored, and that with far less disaster than through a newly created bank; but not without severe pressure. I cannot, however, vote for such a measure. I cannot agree to give a preference and such advantages to a bank of one of the members of this confederacy over those of others—a bank dependent upon the will of a State, and subject to its influence and control. I cannot consent to confer such favors on the stockholders, many of whom, if rumor is to be trusted, are foreign capitalists, and without claim on the bounty of the Government. But, if all these and many other objections were overcome, there is still one which I cannot surmount.

There has been, as we all know, a conflict between one of the departments of the Government and that institution, in which, in my opinion, the department was the assailant; but I cannot consent, after what has occurred, to give to the bank a triumph over the Government—for such its adoption as the fiscal agent of the Government would necessarily be considered. It would degrade the Government in the eyes of our citizens and of the world, and go far to make that bank the Government itself.

But if all these difficulties were overcome, there are others, to me, wholly insurmountable. I belong to the State-rights party, which, at all times, from the beginning of the Government to this day, has been opposed to such an institution as unconstitutional, inexpedient, and dangerous. They have ever dreaded the union of the political and the moneyed power, and the central action of the Government to which it so strongly tends; and at all times have strenuously resisted their junction. Time and experience have confirmed the truth of their principles; and this, above all other periods, is the one at which it would be most dangerous to depart from them. Acting on them, I have never given my countenance or support to a national bank, but under a compulsion which I felt to be imperious, and never without an open declaration of my opinion as unfavorable to a bank.

In supporting the bank of 1816, I openly declared that, as a question *de novo*, I would be decidedly against the bank, and would be the last to give it my support. I also stated that, in supporting the bank then, I yielded to the necessity of the case, growing out of the then existing and long-established connexion between the Government and the banking system. I took the ground, even at that early period, that so long as the connexion existed, so long as the Government received and paid away bank-notes as money, they were bound to regulate their value, and had no alternative but the establishment of a national bank.

I found the connexion in existence and established before my time, and over which I could have no control. I yielded to the necessity, in order to correct the disordered state of the currency, which had fallen exclusively under the control of the States. I yielded to what I could not reverse, just as any member of the Senate now would, who might believe that Louisiana was unconstitutionally admitted into the Union, but who would, nevertheless, feel compelled to vote to extend the laws to that State, as one of its members, on the ground that its admission was an act, whether constitutional or unconstitutional, which he could not reverse.

In 1834 I acted in conformity to the same principle, in proposing the renewal of the bank charter for a short period. My object, as expressly avowed, was to use the bank to break the connexion between the Government and the banking system gradually, in order to avert the catastrophe which has now befallen us, and which I then clearly perceived. But the connexion, which I believed to be irreversible in 1816, has now been broken by operation of law. It is now an open question. I feel myself free, for the first time, to choose my course on this important subject; and, in opposing a bank, I act in conformity to principles which I have entertained ever since I have fully investigated the subject.

But my opposition to a reunion with the banks is not confined to objections limited to a national or State banks. It goes beyond, and comprehends others of a more general nature, relating to the currency, which to me are decisive. I am of the impression that the connexion has a most pernicious influence over bank currency; that it tends to disturb that stability and uniformity of value which is essential to a sound currency; and is among the leading causes of that tendency to expansion and contraction, which experience has shown is incident to bank-notes as a currency. They are, in my opinion, at best, without the requisite qualities to constitute a currency, even when unconnected with the Government; and are doubly disqualified by reason of that connexion, which subjects them to sudden expansions and contractions, and exposes them to fatal catastrophes, such as the present.

I will explain my views. A bank-note circulates not merely on account of the credit of the institution by which it is issued, but because Government receives it like gold and silver in all its dues, and thus adds its own credit to

that of the bank. It, in fact, virtually endorses on the note of every specie-paying bank, "receivable by the Government in its dues." To understand how greatly this adds to the circulation of bank-notes, we must remember that Government is the great money-dealer of the country, and the holder of immense public domains; and that it has the power of creating a demand against every citizen, as high as it pleases, in the shape of a tax, or duty, which can be discharged, as the law now is, only by bank-notes or gold and silver. This, of course, cannot but add greatly to the credit of bank-notes, and contribute much to their circulation, though it may be difficult to determine, with any precision, to what extent. It certainly is very great. For why is it that an individual of the first credit, whose responsibility is so indisputable that his friend of equal credit endorses his note for nothing, should put his name with his friend's, being their joint credit, into a bank, and take out the notes of the bank, which is, in fact, but the credit of the bank itself, and pay six per cent. discount between the credit of himself and his friend and that of the bank? The known and established credit of the bank may be one reason, but there is another and powerful one: the Government treats the credit of the bank as gold and silver in all its transactions, and does not treat the credit of individuals in the same manner. To test the truth: let us reverse the case, and suppose the Government to treat the joint credit of the individuals as money, and not the credit of the bank; and is it not obvious that, instead of borrowing from the bank, and paying six per cent. discount, the bank would be glad to borrow from them on the same terms? From this we may perceive the powerful influence which bank circulation derives from the connexion with the credit of the Government.

It follows, as a necessary consequence, that to the extent of this influence the issues of the banks expand and contract with the expansion and contraction of the fiscal action of the Government; with the increase of its duties, taxes, income, and expenditure; with the deposites in its vaults, acting as additional capital, and the amount of bank-notes withdrawn, in consequence, from circulation; all of which must directly affect the amount of their business and issues, and bank currency, and must, of course, partake of all those vibrations to which the fiscal action of the Government is necessarily exposed; and, when great and sudden, must expose the system to catastrophes such as we now witness. In fact, a more suitable instance cannot be selected to illustrate the truth of what I assert than the present, as I shall proceed to show.

To understand the causes which have led to the present state of things, we must go back to the year 1824, when the tariff system triumphed in Congress—a system which imposed duties not for the purpose of revenue, but to encourage the industry of one portion of the Union at the expense of the other. This was followed up by the act of 1828, which consummated the system. It raised the duties so extravagantly, that out of an annual importation of sixty-four millions, thirty-two passed into the Treasury; that is, Government took one-half for the liberty of introducing the other. Countless millions were thus poured into the Treasury beyond the wants of the Government, which became in time the source of the most extravagant expenditures. This vast increase of receipts and expenditures was followed by a corresponding expansion of the business of the banks. They had to discount and issue freely, to enable the merchants to pay their duty bonds, as well as to meet the vastly-increased expenditures of the Government. Another effect followed the act of 1828, which gave a still further expansion to the action of the banks, and which is worthy of notice. It turned the exchange with England in favor of this country. That portion of the proceeds of our exports, which, in consequence of the high duties, could no longer return with profit in the usual articles which we had been in the habit of receiving principally from that country in exchange for our exports, returned in gold and silver, in order to purchase similar articles at the North. This was the first cause that gave that western direction to the precious metals, the revulsive return of which has been followed by so many disasters. With the exchange in our favor, and consequently no demand for gold and silver abroad, and the vast demand for money attendant on an increase of the revenue, almost every restraint was removed on the discounts and issues of the banks, especially in the northern section of the Union, where these causes principally operated. With their increase, wages and prices of every description rose in proportion, followed, of course, by an increasing demand on the banks for further issues. This is the true cause of that expansion of the currency, which began about the commencement of the late administration, but which was erroneously charged by it to the Bank of the United States. It arose out of the action of the Government.

The bank, in increasing its business, acted in obedience to the condition of things at the time, and in conformity with the banks generally in the same section. It was at this juncture that the late administration came into power; a juncture remarkable in many respects, but more especially in relation to the question of the currency. Most of the causes which have since terminated in the complete prostration of the banks and the commercial prosperity of the country were in full activity.

Another cause, about that time, (I do not remember the precise date,) began to produce powerful effects. I refer to the last renewal of the charter of the Bank of England. It was renewed for ten years, and, among other provisions, contained one making the notes of that bank a legal tender in all cases except between the bank and its creditors. The effect was to dispense still further with the use of the precious metals in that great commercial country, which, of course, caused them to flow out in every direction through the various channels of its commerce. A large portion took their direction hitherward, and served still further to increase the current which, from causes already enumerated, was flowing in this direction; and which still further increased the force of the returning current, on the turn of the tide.

The administration did not comprehend the difficulties and dangers which surrounded it. Instead of perceiving the true reason of the expansion of the currency, and adopting the measures necessary to arrest it, they attributed it to the Bank of the United States, and made it the cause or pretext of waging war on that institution. Among the first acts of hostility, the deposites were removed, and transferred to selected State banks; the effect of which, instead of resisting the tendency to expansion, was to throw off the only restraint that held the banking institutions of the country in check; and, of course, gave to the swelling tide, which was destined to desolate the country, a powerful impulse. Banks sprung up in every direction; discounts and issues increased almost without limitation; and an immense surplus revenue accumulated in the deposite banks, which, after the payment of the public debt, the most extravagant appropriations could not exhaust, and which acted as additional banking capital. The value of money daily depreciated; prices rose; and then commenced those unbounded speculations, particularly in public lands, which were transferred, by millions of acres, from the public to the speculators for worthless bank-notes, till at length the swelling flood was checked, and the revulsive current burst its barriers, and overspread and desolated the land.

The first check came from the Bank of England, which, alarmed at the loss of its precious metals, refused to discount American bills, in order to prevent a further decrease

of its cash means, and cause a return of those which it had lost. Then followed the execution of the deposite act, which, instead of a remedial measure, as it might have been made if properly executed, was made the instrument of weakening the banks at the point of pressure, especially in the great commercial metropolis of the Union, where so large a portion of the surplus revenue was accumulated. And, finally, the Treasury order, which still further weakened those banks, by withdrawing their cash means to be invested in public lands in the West.

It is often easier to prevent what cannot be remedied, which the present instance strongly illustrates. If the administration had formed a true conception of the danger in time, what has since happened might have then been easily averted. The near approach of the expiration of the charter of the United States Bank would have afforded ample means of staying the desolation, if it had been timely and properly used. I saw it then, and purposed to renew the charter, for a limited period, with such modifications as would have effectually resisted the increasing expansion of the currency, and, at the same time, gradually and finally wear out the connexion between the bank and the Government. To use the expression I then used, "to unbank the banks;" to let down the system easily, and so to effect the separation between the bank and the Government as to avoid the possibility of that shock which I then saw was inevitable without some such remedy. The moment was eminently propitious. The precious metals were flowing in on us from every quarter, and the vigorous measures I purposed to adopt in the renewal of the charter would have effectually arrested the increase of banks, and checked the excess of their discounts and issues; so that the accumulating mass of gold and silver, instead of being converted into bank capital, and swelling the tide of paper circulation, would have been substituted in the place of bank-notes, as a permanent and wholesome addition to the currency of the country.

But neither the administration nor the opposition sustained me, and the precious opportunity passed unseized. I then clearly saw the coming calamity was inevitable; and it has neither arrived sooner, nor is it greater, than I anticipated.

Such are the leading causes which have produced the present disordered state of the currency. There are others of a minor character, connected with the general condition of the commercial world, and the operations of the Executive branch of the Government, but which, of themselves, would have produced but little effect. To repeat the causes in a few words: the vast increase which the tariffs of 1824 and 1828 gave to the fiscal action of the Government, combined with the causes I have enumerated, gave the first impulse to the expansion of the currency. These, in turn, gave that extraordinary impulse to overtrading and speculation (they are effects, and not causes) which has finally terminated in the present calamity. It may thus be ultimately traced to the connexion between the banks and the Government; and it is not a little remarkable that the suspension of specie payments in 1816 in this country, and that of 1797 in Great Britain, were produced by like causes.

There is another reason against the union of the Government and the banks, intimately connected with that under consideration, which I shall next proceed to state. It gives a preference to one portion of citizens over another, that is neither fair, equal, nor consistent with the spirit of our institutions.

That the connexion between the banks and the Government, the receiving and paying away their notes as cash, and the use of the public money from the time of the collection to the disbursement, is the source of immense profit to the banks, cannot be questioned. It is impossible, as I said, to ascertain with any precision to what extent their issues and circulation depend upon it, but it certainly constitutes a large proportion. A single illustration may throw light upon this point. Suppose the Government were to take up the veriest beggar in the street, and enter into a contract with him that nothing should be received in payment of its dues or for the sale of its public lands in future except gold and silver and his promissory notes, and that he should have the use of the public funds from the time of their collection until their disbursement: can any one estimate the wealth which such a contract would confer? His notes would circulate far and wide over the whole extent of the Union; would be the medium through which the exchanges of the country would be performed; and his ample and extended credit would give him a control over all the banking institutions and moneyed transactions of the community. The possession of a hundred millions would not give a control more effectual. I ask, would it be fair, would it be equal, would it be consistent with the spirit of our institutions, to confer such advantages on any individual? And if not on one, would it be if conferred on any number? And if not, why should it be conferred on any corporate body of individuals? How can they possibly be entitled to benefits so vast, which all must acknowledge could not be justly conferred on any number of unincorporated individuals?

I state not these views with any intention of bringing down odium on banking institutions. I have no unkind feeling towards them whatever. I do not hold them responsible for the present state of things. It has grown up gradually, without either the banks or the community perceiving the consequences which have followed the connexion between them. My object is to state facts as they exist, that the truth may be seen in time by all. This is an age of investigation. The public mind is broadly awake upon this all-important subject. It affects the interests and condition of the whole community, and will be investigated to the bottom. Nothing will be left unexplored, and it is for the interest both of the banks and of the community that the evils incident to the connexion should be fully understood in time, and the connexion be gradually terminated, before such convulsions shall follow as to sweep away the whole system, with its advantages as well as its disadvantages.

But it is not only between citizen and citizen that the connexion is unfair and unequal. It is as much so between one portion of the country and another. The connexion of the Government with the banks, whether it be with a combination of State banks or with a national institution, will necessarily centralize the action of the system at the principal point of collection and disbursement, and at which the mother bank, or the head of the league of State banks, must be located. From that point the whole system, through the connexion with the Government, will be enabled to control the exchanges both at home and abroad; and with it, the commerce, foreign and domestic, including exports and imports.

After what has been said, these points will require but little illustration. A single one will be sufficient; and I will take, as in the former instance, that of an individual.

Suppose, then, the Government, at the commencement of its operation, had selected an individual merchant, at any one point in the Union, (say New York,) and had connected itself with him, as it has with the banks, by giving him the use of the public funds from the time of their collection until their disbursement, and of receiving and paying away, in all its transactions, nothing but his promissory notes, except gold and silver: is it not manifest that a decisive control would be given to the port where he resided over all the others? that his promissory notes would circulate everywhere, through all the ramifications of commerce? that they would regulate exchanges? that they would be the medium of paying duty bonds? and that they would attract

the imports and exports of the country to the port where such extraordinary facilities were afforded? If such would clearly be the effects in the case supposed, it is equally clear that the concentration of the currency at the same point, through the connexion of the Government with the banks, would have equal, if not greater, effects; and that, whether one general bank should be used as an agent, or a league of banks, which should have their centre there. To other ports of the country, the trifling advantages which a branch or deposite bank would give, in the safekeeping of the public revenue, would be as nothing, compared to the losses caused to their commerce by centralizing the moneyed action of the country at a remote point. Other gentlemen can speak for their own sections; I can speak, with confidence, of that which I have the honor in part to represent. The entire staple States, I feel a deep conviction, banks and all, would, in the end, be great gainers by the disseverance, whatever might be the temporary inconvenience. If there be any other section in which the effects will be different, it would be but to confirm the views which I have presented.

As connected with this, there is a point well deserving consideration. The union between banks and Government is not only a main source of that dangerous expansion and contraction in the banking system which I have already illustrated, but is also one of the principal causes of that powerful and almost irresistible tendency to the increase of banks, which even its friends see and deplore. I dwelt on this point on a former occasion, (on Mr. WEBSTER's motion to renew the bank charter in 1833,) and will not repeat what I then said. But, in addition to the causes then enumerated, there are many others very powerful, and among others the one under consideration. They all may be summed up in one general cause. We have made banking too profitable—far, very far, too profitable; and I may add, too influential. One of the most ample sources of this profit and influence may be traced, as I have shown, to the connexion with the Government; and is, of course, among the prominent causes of the strong and incessant tendency of the system to increase, which even its friends see must finally overwhelm either the banks or the institutions of the country. With a view to check its growth, they have proposed to limit the number of banks and the amount of banking capital by an amendment of the constitution; but it is obvious that the effects of such an amendment, if it were practicable, would but increase the profits and influence of bank capital; and that, finally, it would justly produce such indignation on the part of the rest of the community against such unequal advantages, that in the end, after a long and violent struggle, the overthrow of the entire system would follow. To obviate this difficulty, it has been proposed to add a limitation upon the amount of their business; the effects of which would be, the accommodation of favorites, to the exclusion of the rest of the community, which would be no less fatal to the system. There can be, in fact, but one safe and consistent remedy—the rendering banking as a business less profitable and influential; and the first and decisive step toward this is a disseverance between the banks and the Government. To this may be added some effectual limitation on the denomination of the notes to be issued, which would operate in a similar manner.

I pass over other and important objections to the connexion—the corrupting influence and the spirit of speculation which it spreads far and wide over the land. Who has not seen and deplored the vast and corrupting influence brought to bear upon the Legislatures to obtain charters and means necessary to participate in the profits of the institutions! This gives a control to the Government which grants such favors, of a most extensive and pernicious character; all of which must continue to spread and increase, if the connexion should continue, until the whole community must become one contaminated and corrupted mass.

There is another and a final reason which I shall assign against the reunion with the banks. We have reached a new era with regard to these institutions. He who would judge of the future by the past, in reference to them, will be wholly mistaken. The year 1833 marks the commencement of this era. That extraordinary man, who had the power of imprinting his own feelings on the community, then commenced his hostile attacks, which have left such effects behind, that the war then commenced against the banks, I clearly see, will not terminate, unless there be a separation between them and the Government, until one or the other triumphs—till the Government becomes the bank, or the bank the Government. In resisting their union, I act as the friend of both. I have, as I have said, no unkind feeling toward the banks. I am neither a bank man, nor an anti-bank man. I have had little connexion with them. Many of my best friends, for whom I have the highest esteem, have a deep interest in their prosperity, and, as far as friendship or personal attachment extends, my inclination would be strongly in their favor. But I stand up here as the representative of no particular interest. I look to the whole, and to the future, as well as the present; and I shall steadily pursue that course which, under the most enlarged view, I believe to be my duty. In 1834 I saw the present crisis. I in vain raised a warning voice, and endeavored to avert it. I now see, with equal certainty, one far more portentous. If this struggle is to go on—if the banks will insist upon a reunion with the Government against the sense of a large and influential portion of the community—and, above all, if they should succeed in effecting it—a reflux flood will inevitably sweep away the whole system. A deep popular excitement is never without some reason, and ought ever to be treated with respect; and it is the part of wisdom to look timely into the cause, and correct it before the excitement shall become so great as to demolish the object, with all its good and evil, against which it is directed.

The only safe course for both Government and banks is to remain, as they are, separated—each in the use of their own credit, and in the management of their own affairs. The less the control and the influence of the one over the other, the better. Confined to their legitimate sphere—that of affording temporary credit to commercial and business men—bank-notes would furnish a safe and convenient circulation in the range of the circle of commerce and business within which the banks may be respectively situated, exempt almost entirely from those fluctuations and convulsions to which they are now so exposed; or, if they should occasionally be subject to them, the evil would be local and temporary, leaving undisturbed the action of the Government and the general currency of the country, on the stability of which the prosperity and safety of the community so much depend.

I have now stated my objections to the reunion of the Government and the banks. If they are well founded; if the State banks are of themselves incompetent agents; if a Bank of the United States be impracticable, or, if practicable, would, at this time, be the destruction of a large portion of the existing banks, and of renewed and severe pecuniary distress; if it would be against the settled conviction of an old and powerful party, whose opposition time cannot abate; if the union of Government and banks add to the unfitness of their notes for circulation, and be unjust and unequal between citizen and citizen, and one portion of the Union and another; and, finally, if it would excite an implacable and obstinate war, which could only terminate in the overthrow of the banking system or the institutions of the country, it then remains that the only alternative would be permanently to separate the two, and to reorganize the Treasury so as to enable it to perform those

duties which have heretofore been performed by the banks as its fiscal agents. This proposed reorganization has been called a sub-treasury—an unfortunate word, calculated to mislead and conjure up difficulties and dangers that do not really exist. So far from an experiment, or some new device, it is only returning to the old mode of collecting and disbursing public money, which, for thousands of years, has been the practice of all enlightened people till within the last century.

In what manner it is intended to reorganize the Treasury, by the bill reported, I do not know. I have been too much engaged to read it; and I can only say that, for one, I shall assent to no arrangement which provides for a Treasury bank, or that can be perverted into one. If there can be any scheme more fatal than a reunion with the banks at this time, it would be such a project. Nor will I give my assent to any arrangement which shall add the least unnecessary patronage. I am the sworn foe to patronage, and have done as much and suffered as much in resisting it as any one. Too many years have passed over me to change, at this late day, my course or principles. But I will say, that it is impossible so to organize the Treasury for the performance of its own functions as to give to the Executive a tenth part of the patronage it will lose by the proposed separation, which, when the bill for the reorganization comes up, I may have an opportunity to show. I have ventured this assertion after much reflection, and with entire confidence in its correctness.

But something more must be done besides the reorganization of the Treasury. Under the resolution of 1816, bank-notes would again be received in the dues of the Government, if the banks should resume specie payments. The legal as well as the actual connexion must be severed. But I am opposed to all harsh or precipitate measures. No great process can be effected without a shock, but through the agency of time. I accordingly propose to allow time for the final separation; and, with this view, I have drawn up an amendment to this bill, which I shall offer at the proper time, to modify the resolution of 1816, by providing that after the 1st of January next, three-fourths of all sums due to the Government may be received in the notes of specie-paying banks; and after the 1st of January next following, one-half; and after the 1st of January next subsequent, one-fourth; and after the 1st of January thereafter, nothing but the legal currency of the United States, or bills, notes, or paper issued under their authority, and which may by law be authorized to be received in their dues. If the time is not thought to be ample, I am perfectly disposed to extend it. The period is of little importance in my eyes, so that the object be effected.

In addition to this, it seems to me that some measure, of a remedial character, connected with the currency, ought to be adopted, to ease off the pressure while the process is going through. It is desirable that the Government should make as few and small demands on the specie market as possible during the time, so as to throw no impediment in the way of the resumption of specie payments. With this view, I am of the impression that the sum necessary for the present wants of the Treasury should be raised by a paper, which should at the same time have the requisite qualities to enable it to perform the functions of a paper circulation. Under this impression, I object to the interest to be allowed on the Treasury notes which this bill authorizes to be issued, on the very opposite grounds that the Senator from Massachusetts bestows his opposition. He approves of interest, because it would throw them out of circulation into the hands of capitalists, as a convenient and safe investment; and I disapprove, because it will have that effect. I am disposed to ease off the process; he, I would suppose, is very little solicitous on that point.

But I go farther. I am of the impression, to make this great measure successful, and secure it against reaction, that some stable and safe medium of circulation, to take the place of bank-notes in the fiscal operations of the Government, ought to be issued. I intend to propose nothing. It would be impossible, with so great a weight of opposition, to pass any measure without the entire support of the administration; and, if it were possible, it ought not to be attempted where so much must depend on the mode of execution. The best measure that could be devised might fail, and impose a heavy responsibility on its author, unless it met with the hearty approbation of those who are to execute it. I, then, intend merely to throw out suggestions, in order to excite the reflection of others on a subject so delicate, and of so much importance: acting on the principle that it is the duty of all, in so great a juncture, to present their views without reserve.

It is, then, my impression, that, in the present condition of the world, a paper currency, in some form, if not necessary, is almost indispensable in financial and commercial operations of civilized and extensive communities. In many respects it has a vast superiority over a metallic currency, especially in great and extended transactions, by its greater cheapness, lightness, and the facility of determining the amount. The great desideratum is, to ascertain what description of paper has the requisite qualities of being free from fluctuation in value, and liability to abuse, in the greatest perfection. I have shown, I trust, that the bank-notes do not possess these requisites in a degree sufficiently high for this purpose. I go farther. It appears to me, after bestowing the best reflection I can give the subject, that no convertible paper—that is, no paper whose credit rests upon a promise to pay—is suitable for currency. It is the form of credit proper in private transactions between man and man, but not for a standard of value, to perform exchanges generally, which constitute the appropriate functions of money or currency. The measures of safety in the two cases are wholly different. A promissory note, or convertible paper, is considered safe so long as the drawer has ample means to meet his engagements; and, in passing from hand to hand, regard is had only to his ability and willingness to pay. Very different is the case in currency.

The aggregate value of the currency of a country necessarily bears a small proportion to the aggregate value of its property. This proportion is not well ascertained, and is probably subject to considerable variation in different countries, and at different periods in the same country. It may be assumed, conjecturally, in order to illustrate what I say, at one to thirty. Assuming this proportion to be correct, (which probably is not far from the truth,) it follows that, in a sound condition of the country, where the currency is metallic, the aggregate value of the coin is not more than one in thirty of the aggregate value of the property. It also follows, that an increase in the amount of the currency, by the addition of a paper circulation of no intrinsic value, but increases the nominal value of the aggregate property of the country in the same proportion that the increase bears to the whole amount of currency; so that, if the currency be doubled, the nominal value of the property will also be doubled. Hence it is, that, when the paper currency of a country is in the shape of promissory notes, there is a constant tendency to excess. We look for their safety to the ability of the drawer; and so long as his means are ample to meet his engagements, there is no distrust; without reflecting that, considered as currency, it cannot safely exceed one in thirty in value, compared to property. And the delusion is farther increased by the constant increase in value of property, with the increase of the notes in circulation, so as to maintain the same relative proportion. It follows that a Government may safely contract a debt many times the amount of its aggregate circulation; but, if it were to attempt to put its promissory notes in circulation in amount equal to its debts, an explosion in the currency would be inevitable. And hence, with other causes,

the constant tendency to an excessive issue of bank-notes in prosperous times, when so large a portion of the community are anxious to obtain accommodation, and who are disappointed when negotiable paper is refused by the banks; not reflecting that it would not be safe to discount beyond the limits I have assigned for a safe circulation, however good the paper offered.

On what, then, ought a paper currency to rest? I would say on demand and supply simply, which regulates the value of every thing else—the constant demand which the Government has on the community for its necessary supplies. A medium resting on this demand, which simply obligates the Government to receive it in all of its dues, to the exclusion of every thing else except gold and silver, and which shall be optional with those who have demands on Government to receive or not, would, it seems to me, be as stable in its value as those metals themselves, and be as little liable to abuse as the power of coining. It would contain within itself a self-regulating power. It could only be issued to those who had claims on the Government, and to those only with their consent, and, of course, only at or above par with gold and silver, which would be its habitual state; for, as far as the Government was concerned, it would be equal in every respect to gold and silver, and superior in many, particularly in regulating the distant exchanges of the country. Should, however, a demand for gold and silver from abroad, or other accidental causes, depress it temporarily, as compared with the precious metals, it would then return to the Treasury; and, as it could not be paid out during such depression, its gradual diminution in the market would soon restore it to an equality, when it would again flow out into the general circulation. Thus there would be a constant alternate flux and reflux into and from the Treasury, between it and the precious metals; but, if at any time a permanent depression in its value be possible from any cause, the only effect would be to operate as a reduction of taxes on the community, and the only sufferer would be the Government itself. Against this its own interest would be a sufficient guaranty.

Nothing but experience can determine what amount and of what denominations might be safely issued; but it may be safely assumed that the country would absorb an amount greatly exceeding its annual income. Much of its exchanges, which amount to a vast sum, as well as its banking business, would revolve about it, and many millions would thus be kept in circulation beyond the demands of the Government. It may throw some light on the subject to state that North Carolina, just after the Revolution, issued a large amount of paper, which was made receivable in dues to her. It was also made a legal tender, but which, of course, was not obligatory after the adoption of the federal constitution. A large amount—say between four and five hundred thousand dollars—remained in circulation after that period, and continued to circulate for more than twenty years, at par with gold and silver during the whole time, with no other advantage than being received in the revenue of the State, which was much less than $100,000 per annum. I speak on the information of citizens of that State, on whom I can rely.

But, whatever may be the amount that can be circulated, I hold it clear that, to that amount, it would be as stable in value as gold and silver itself, provided the Government be bound to receive it exclusively with those metals in all its dues, and that it be left perfectly optional with those who have claims on the Government to receive it or not. It will also be a necessary condition that notes of too small a denomination should not be issued, so that the Treasury shall have ample means to meet all demands, either in gold or silver, or the bills of the Government, at the option of those who have claims on it. With these conditions, no further variation could take place between it and gold and silver than that which would be caused by the action of commerce. An unusual demand from abroad for the metals would, of course, raise them a little in their relative value, and depress relatively the Government bills in the same proportion, which would cause them to flow into the Treasury, and gold and silver to flow out; while, on the contrary, an increased demand for the bills in the domestic exchange would have the reverse effect, causing, as I have stated, an alternate flux and reflux into the Treasury, between the two, which would at all times keep their relative values either at or near par.

No one can doubt that the fact of the Government receiving and paying away bank-notes in all its fiscal transactions is one of the principal sources of their great circulation; and it was mainly on that account that the notes of the late Bank of the United States so freely circulated all over the Union. I would ask, then, why should the Government mingle its credit with that of private corporations? No one can doubt but that the Government credit is better than that of any bank—more stable and more safe. Why, then, should it mix it up with the less perfect credit of those institutions? Why not use its own credit to the amount of its own transactions? Why should it not be safe in its own hands, while it shall be considered safe in the hands of 800 private institutions scattered all over the country, and which have no other object but their own private profits, to increase which they almost constantly extend their business to the most dangerous extremes? And why should the community be compelled to give six per cent. discount for the Government credit blended with that of the banks, when the superior credit of the Government could be furnished separately, without discount, to the mutual advantage of the Government and the community? Why, let me ask, should the Government be exposed to such difficulties as the present, by mingling its credit with the banks, when it could be exempt from all such, by using by itself its own safer credit? It is time the community, which has so deep an interest in a sound and cheap currency, and the equality of the laws between one portion of the citizens of the country and another, should reflect seriously on these things—not for the purpose of oppressing any interest, but to correct gradual disorders of a dangerous character, which have insensibly, in the long course of years, without being perceived by any one, crept into the state.

The question is, not between credit and no credit, as some would have us believe; but in what form credit can best perform the functions of a sound and safe currency. On this important point I have freely thrown out my ideas, leaving it to this body and the public to determine what they are worth. Believing that there might be a sound and safe paper currency founded on the credit of Government exclusively, I was desirous that those who are responsible and have the power should have availed themselves of the opportunity of a temporary deficit of the Treasury, and the postponement of the fourth instalment intended to be deposited with the States, to use them as the means of affording a circulation for the present relief of the country and the banks, during the process of separating them from the Government; and, if experience should justify it, of furnishing a permanent and safe circulation, which would greatly facilitate the operations of the Treasury, and afford, incidentally, much facility to the commercial operations of the country. But a different direction was given; and when the alternative was presented, of a loan, or the withholding the fourth instalment from the States, I did not hesitate to give a decided vote for withholding it. My aversion to a public debt is deep and durable. It is, in my opinion, pernicious, and is little short of a fraud on the public. I saw too much of it during the late war not to understand something of the nature and character of public loans. Never was a country more egregiously imposed on.

Having now presented my views of the course and the

measures which the permanent policy of the country, looking to its liberty and lasting prosperity, requires, I come finally to the question of relief. I have placed this last—not that I am devoid of sympathy for the country in the pecuniary distress which now pervades it. No one struggled earlier or longer to prevent it than myself; nor can any one more sensibly feel the widespread blight which has suddenly blasted the hopes of so many, and precipitated thousands from affluence to poverty. The desolation has fallen mainly on the mercantile class—a class which I have ever held in the highest estimation. No country ever had a superior body of merchants—of higher honor, of more daring enterprise, or of greater skill and energy. The ruin of such a class is a heavy calamity, and I am solicitous, among other things, to give such stability to our currency as to prevent the recurrence of a similar calamity hereafter. But it was first necessary, in the order of things, that we should determine what sound policy, looking to the future, demands to be done at the present juncture, before we consider the question of relief, which, as urgent as it may be, is subordinate, and must yield to the former. The patient lies under a dangerous disease, with a burning thirst and other symptoms, which distress him more than the vital organs which are attacked. The skilful physician first makes himself master of the nature of the disease, and then determines on the treatment necessary for the restoration of health. This done, he next alleviates the distressing symptoms as far as is consistent with the restoration of health, and no further. Such shall be my course. As far as I possibly can, consistently with the views I entertain, and what I believe to be necessary to restore the body politic to health, I will do every thing in my power to mitigate the present distress. Further I cannot go.

After the best reflection, I am of the impression that the Government can do but little in the way of relief, and that it is a case which must be mainly left to the constitution of the patient, who, thank God, is young, vigorous, and robust, with a constitution sufficient to sustain and overcome the severest attack. I dread the doctor and his drugs much more than the disease itself. The distress of the country consists in its indebtedness, and can only be relieved by the payment of its debts. To effect this, industry, frugality, economy, and time, are necessary. I rely more on the growing crop—on the cotton, rice, and tobacco, of the South—than on all the projects or devices of politicians. I am utterly opposed to all coercion by this Government. But Government may do something to relieve the distress. It is out of debt, and is one of the principal creditors both of the banks and of the merchants, and should set an example of liberal indulgence. This I am willing to give freely. I am also prepared to vote freely the use of Governmant credit in some safe form, to supply any deficit in the circulation during the process of recovery, as far as its financial wants will permit. I see not what more can be safely done. But my vision may be obtuse upon this subject. Those who differ from me, and who profess so much sympathy for the public, seem to think that much relief may be afforded. I hope they will present their views. I am anxious to hear their prescriptions; and I assure them that whatever they may propose, if it shall promise relief, and be not inconsistent with the course which I deem absolutely necessary for the restoration of the country to perfect health, shall cheerfully receive my support. They may be more keen-sighted than I am as to the best means of relief, but cannot have a stronger disposition to afford it.

We have, Mr. President, arrived at a remarkable era in our political history. The days of legislative and executive encroachments, of tariffs and surpluses, of bank and public debt, and extravagant expenditure, are past for the present. The Government stands in a position disentangled from the past, and freer to choose its future course than it ever has been since its commencement. We are about to take a fresh start. I move off under the State-rights banner, and go in the direction in which I have been so long moving. I seize the opportunity thoroughly to reform the Government; to bring it back to its original principles; to retrench and economize, and rigidly to enforce accountability. I shall oppose strenuously all attempts to originate a new debt; to create a national bank; to reunite the political and money power—more dangerous than that of church and state—in any form or shape; to prevent the disturbances of the compromise, which is gradually removing the last vestige of the tariff system; and, mainly, I shall use my best efforts to give an ascendency to the great conservative principle of State sovereignty, over the dangerous and despotic doctrine of consolidation. I rejoice to think that the Executive department of the Government is now so reduced in power and means, that it can no longer rely on its influence and patronage to secure a majority. Henceforward it can have no hope of supporting itself but on wisdom, moderation, patriotism, and devoted attachment to the constitution, which I trust will make it, in its own defence, an ally in effecting the reform which I deem indispensable to the salvation of the country and its institutions.

I look, sir, with pride to the wise and noble bearing of the little State-rights party, of which it is my pride to be a member, throughout the eventful period through which the country has passed since 1824. Experience already bears testimony to their patriotism, firmness, and sagacity; and history will do it justice. In that year, as I have stated, the tariff system triumphed in the councils of the nation. We saw its disastrous political bearings; foresaw its surpluses and the extravagances to which it would lead. We rallied on the election of the late President to arrest it, through the influence of the Executive department of the Government. In this we failed. We then fell back upon the rights and sovereignty of the States, and by the action of a small but gallant State, and through the potency of its interposition, we brought the system to the ground, sustained as it was by the opposition and the administration, and by the whole power and patronage of the Government. The pernicious overflow of the Treasury, of which it was the parent, could not be arrested at once. The surplus was seized on by the Executive, and, by its control over the banks, became the fruitful source of Executive influence and encroachment. Without hesitation, we joined our old opponents on the tariff question, but under our own flag, and without merging in their ranks, and made a gallant and successful war against the encroachments of the Executive. That terminated, we part with our late allies in peace; and move forward, lag, or onward who may, to secure the fruits of our long but successful struggle, under the old republican flag of 1798, which, though tattered and torn, has never yet been lowered, and, with the blessing of God, never shall be with my consent.

On concluding his speech, Mr. C. submitted his amendment, which provided that from and after the 1st of January next, three-fourths of the money due to the Government may be paid in notes of specie-paying banks; that from and after the 1st of January 1839, one-half might be paid in such notes; one-quarter after the 1st of January, 1840; and that, from and after the 1st of January 1841, all sums due the Government for customs, lands, &c. shall be paid only in the legal currency of the United States, or in such notes, bills, &c., as should by law be ordered.

Mr. WEBSTER rose, and inquired of Mr. C. to what bill it was proposed to make this an amendment.

Mr. CALHOUN replied, to one called the divorce bill between the Government and the banks, which he said was just ahead.

Mr. BENTON, after expressing his entire concurrence in the amendment of Mr. Calhoun, sent to the Chair two

amendments of his own, which he said comprised the substance of the bill introduced by him two years ago, "to re-establish the constitutional currency of the country." His first amendment provides that, after a day to be specified, all the public dues should be paid in gold and silver only, and in Treasury notes and land scrip, as might by law be authorized; and the second provides that, after the resumption of specie payments by the banks, the Treasury should begin with specie payments.

[These amendments, together with Mr. CALHOUN's, were ordered to be printed.]

Mr. B. said he should not have risen in this debate, had it not been for the misapprehensions which seemed to pervade the minds of some Senators as to the character of the bill. It is called by some a paper-money bill, and by others a bill to germinate a new national debt. These are serious imputations, and require to be answered, not by declamation and recrimination, but by facts and reasons, addressed to the candor and to the intelligence of an enlightened and patriotic community.

I dissent from the imputations on the character of the bill. I maintain that it is neither a paper-money bill, nor a bill to lay the foundation for a new national debt; and will briefly give my reasons for believing as I do on both points.

There are certainly two classes of Treasury notes—one for investment, and one for circulation; and both classes are known to our laws, and possess distinctive features, which define their respective characters, and confine them to their respective uses.

The notes for investment bear an interest sufficient to induce capitalists to exchange gold and silver for them, and to lay them by as a productive fund. This is their distinctive feature, but not the only one; they possess other subsidiary qualities, such as transferability only by endorsement—payable at a fixed time—not re-issuable—nor of small denomination—and to be cancelled when paid. Notes of this class are, in fact, loan notes—notes to raise loans on, by selling them for hard money—either immediately by the Secretary of the Treasury, or, secondarily, by the creditor of the Government to whom they have been paid. In a word, they possess all the qualities which invite investment, and forbid and impede circulation. The act of 1812 authorized an issue of notes of this description. They bore five and two-fifths per cent. interest, with an express clause that the Secretary of the Treasury might raise money upon them by loan. I presume there are Senators present who were members of the House of Representatives in 1812, who gave the sanction of their approbation to the Treasury note law of that year, and who would be very unwilling to hear the epithets applied to that law which are lavished upon this bill, which is copied from it.

The Treasury notes for currency are distinguished by features and qualities the reverse of those which have been mentioned. They bear little or no interest. They are payable to bearer—transferable by delivery—re-issuable—of low denominations—and frequently reimburseable at the pleasure of the Government. They are, in fact, paper money, and possess all the qualities which forbid investment, and invite to circulation. The Treasury notes of 1815, were of that character, except for the optional clause to enable the holder to fund them at the interest which commanded loans—at seven per cent.

These are the distinctive features of the two classes of notes. Now try the committee's bill by the test of these qualities. It will be found that the notes which it authorizes belong to the first named class; that they are to bear an interest, which may be six per cent.; that they are transferable only by endorsement; that they are not re-issuable; that they are to be paid at a day certain, to wit, within one year; that they are not to be issued of less denomination than one hundred dollars; are to be cancelled when taken up; and that the Secretary of the Treasury is expressly authorized to raise money upon them by loaning them.

These are the features and qualities of the notes to be issued, and they define and fix their character as notes to raise loans, and to be laid by as investments, and not as notes for currency, to be pushed into circulation by the power of the Government, and to add to the curse of the day by increasing the quantity of unconvertible paper money.

The execution of the act, and especially the cardinal feature of the quantum of interest, is left to the President and the Secretary of the Treasury. I presume it will be executed as a law to borrow money; and in that point of view the interest was left open, under a maximum limit, as is proper to be done in all propositions for loans. Bids may be invited by advertisement; the competition of lenders may fix the interest; capitalists may fix it by competition, though nominally left to the discretion of the President and Secretary; and at whatever rate it is thus fixed—at whatever rate a loan of gold and silver is commanded—at that rate the whole issue, made at any one time, ought to go. There should not be two rates of interest—a high one for the independent and opulent capitalist, and a low one for the helpless and necessitous public creditor.

This is my opinion of the character of these Treasury notes, and of the mode of using them. I cannot doubt but that lenders will present themselves, and that the whole ten millions may be borrowed in gold and silver just as fast as the Government needs it. That opinion is formed upon data—upon the great amount of specie now in the country, its unproductiveness to its present holders, and the facility with which large amounts of specie were borrowed immediately after the bank suspensions and the commercial revulsions of 1819. The specie in the United States cannot now be less than it was six months ago, to wit, eighty millions of dollars; for it is shown by the custom-house reports, and other data, that, notwithstanding the efforts to ship it to Europe, the imports and exports are about even during that time; and that, taking the whole fiscal year together, the imports now exceed the exports by nearly four millions of dollars; and that near $900,000 in gold have been coined in the first three quarters of the present calendar year. The specie in the country cannot, therefore, be less than $80,000,000, and, upon the calculation of last year, is more. The whole of this vast amount is lying idle, barren, and unproductive to its owners—not that they are all unwilling to lend it, and to receive interest, but for want of borrowers in whom they have confidence. The United States will present that borrower, and will bring forth the hoarded treasures which the lack of general confidence now consigns to sterility in private chests and in special bank deposites. Thus it was in 1819–'20. The commercial and bank catastrophe of that period took place in 1819; in less than a year afterwards, from the collapse of business and the stagnation of commerce, money in the Atlantic cities was abundant, idle, and seeking investment at four or five per cent. So says Mr. Cheves—so we can all remember. But to refresh memories, and establish this important fact, I will read a paragraph from Mr. Cheves's late letter to Dr. Cooper:

"Before the close of the first year of my administration, adequate capital had been assigned to the offices in which it had been deficient, and the bank and its offices generally, then or very soon after, were in a condition to do extensive business, had the situation of the country permitted it. But the commerce of the country became perfectly stagnant. Money was a drug. The bank, to keep up its business as far as possible, discounted long paper—say at four and six months, and perhaps longer. It was even proposed, with the same object, to lower the rate of interest

to five per cent. I believe local banks at Boston did, in some instances, discount at that rate. In Philadelphia, I think, the local banks discounted paper having nine months to run, and perhaps more. The commerce of the country was reduced from a state of great excitement, such as we have just witnessed, to a state of collapse, such as I fear we may soon suffer. Under these circumstances, the discounts fell off The bank was too safe. It had, at times, I believe, as much specie—perhaps more—in its vaults than it had notes in circulation. Under this want of demand for money, I was so fortunate as to obtain the public loans, to the amount of $6,000,000, which the bank was able to pay for, and retain an abundance of specie in its vaults."

Such is the testimony of Mr. Cheves; and thus easily and rapidly did the recuperative energies of this young, vigorous, athletic country recover from the depression and desolation of that day. The effect cannot be different now; on the contrary, the recovery must be more rapid and easy; for the distress now is not the tithe of what it was then. The real money in the country—the gold and silver—was not the fourth part then of what it is now; the distress then was all real, and no part of it assumed, pretended, artificial, forced, and fictitious, contrived with malice aforethought to govern elections and politics, and to coerce the revivification of a national bank.

I remember the times of which Mr. Cheves speaks. I came to the Senate in 1820; and I know that his picture of the abundance of money, the facility of getting loans, and the low rate of interest, is entirely just. Our own legislation proves it; for a loan of $3,000,000 was authorized in the session of 1819–'20, and another at the ensuing session for $5,000,000, both expressly to defray the current expenses of the Government; and both loans were eagerly bid for by capitalists, and at rates considerably below six per cent. It was six millions out of these eight that Mr. Cheves congratulates himself for having been fortunate enough to obtain for the Bank of the United States. The picture drawn by Mr. Cheves is correct, as applicable to the Atlantic board, for which he intended it; it is not correct as applicable to the West, and was not so intended by him. That great region did not recover for several years after 1819. It had been eviscerated of its gold and silver, to sustain the Bank of the United States! It had been sacrificed to save that bank! At the time that Mr. Cheves refers to, it was, so far as the precious metals were concerned, the empty skin of an immolated victim, sacrificed upon the altar of salvation to a foreign institution. Not so now. Thanks to the ever-glorious Treasury order! That order has saved the West from the fate which overwhelmed her for so many years after the revulsion of 1819. She is not now, in respect to money or any thing else, the empty skin of a sacrificed victim. She has her fair proportion of all the blessings of good government, as well as her fair proportion of all the blessings of Heaven. She is able and willing to pay her share of the public revenue in solid money. The sales of the public lands, since the suspension of specie payments, are fully equal to what they were in the best years before the two years of bank expansions and mad speculations. These sales have gone on in June, July, and August, at a rate to yield near four millions per annum, which is equal to the best years before 1835 and 1836. Mr. Cheves was right in his picture of the moneyed plethora on the Atlantic board. It was a drug there in less than one year after the great catastrophe of 1819; it will be a drug there again, and from the same causes—stagnation of trade and collapse of business—within a few months. It is on the Atlantic board that these Treasury notes will be borrowed. Money will be loaned upon them. They will be taken as investments, to be laid by; not as currency, to be shoved into circulation.

The bill has been denounced as the germe of a new national debt. It certainly proposes the creation of a debt. But for what purpose, and under what circumstances? To comply with the maxim, that a public debt is a public blessing? By no means! But to relieve the States from being called upon for a reimbursement of any part of the twenty-seven millions of dollars which have been deposited with them; to relieve the merchants from an immediate payment of four millions; and to relieve the late deposite banks from an immediate press for six millions. This is the object. The loan of ten millions on the Treasury notes comes in place of the four and six millions due from merchants and the banks. It is because we cannot collect the one, that we create the other. If we had the ten millions from the merchants and the banks, we should not want the Treasury notes; not being able to collect those ten millions, we give time to our debtors, and borrow an equivalent sum.

The outstanding debt due to the United States is equal to the debt created; it will be a fund to pay it, interest and all; (for the merchants and banks are to pay interest;) and then the Treasury note debt becomes a mere nominal transaction, so far as debt is concerned, being no burden to the United States, and a relief to her debtors.

This is the object of this nominal debt; and under what circumstances is it created? Under the same which occasioned eight millions to be borrowed by direct loan in the two succeeding sessions after the catastrophe of 1819. We have run the career of that period over again, and the parallel is exact in every particular. Then, as now, we had our dream of inexhaustible surpluses, and were waked up to the reality of an empty Treasury. Then, as now, we had our forty-seven millions of revenue—our nine millions of annual surplus—our bank expansions—our mad speculations—our bloated and delusive prosperity; and then, as now, we were called together to borrow eight millions for the support of the Government, to hear the cries of distress and the calls for relief. The eight millions borrowed then, and borrowed with the approving voice of some who now stigmatize a similar loan, under similar circumstances, and for the same object, was not considered as the germe of a new national debt; neither will our loan be so considered by the country.

I trust I have vindicated the bill from the stigma of being a paper currency bill, and from the imputation of being the first step towards the creation of a new national debt. I hope it is fully cleared from the odium of both these imputations. I will now say a few words on the policy of issuing Treasury notes in time of peace, or even in time of war, until the ordinary resources of loans and taxes had been tried and exhausted. I am no friend to the issue of Treasury notes of any kind. As loans, they are a disguised mode of borrowing, and easy to slide into a currency: as a currency, it is the most seductive, the most dangerous, and the most liable to abuse of all the descriptions of paper money. "The stamping of paper (by Government) is an operation so much easier than the laying of taxes, or of borrowing money, that a Government in the habit of paper emissions would rarely fail, in any emergency, to indulge itself too far in the employment of that resource, to avoid as much as possible one less auspicious to present popularity." So said General Hamilton; and Jefferson, Madison, Macon, Randolph, and all the fathers of the republican church, concurred with him. These sagacious statesmen were shy of this facile and seductive resource, "so liable to abuse, and so certain of being abused." They held it inadmissible to recur to it in time of peace, and that it could only be thought of amidst the exigencies and perils of war, and that after exhausting the direct and responsible alternative of loans and taxes. Bred in the school of these great men, I came here at this session to oppose, at all risks, an issue of Treasury notes. I preferred a direct loan, and that for many and cogent reasons. There is clear authority to borrow in the constitution; but, to find authority to issue these notes, we must enter the field of constructive powers. To borrow, is to do a responsible act; it is to in-

cur certain accountability to the constituent, and heavy censure if it cannot be justified; to issue these notes, is to do an act which few consider of, which takes but little hold of the public mind, which few condemn and some encourage, because it increases the quantum of what is vainly called money. Loans are limited by the capacity, at least, of one side to borrow, and of the other to lend; the issue of these notes has no limit but the will of the makers and the supply of lampblack and rags. The continental bills of the Revolution, and the assignats of France, should furnish some instructive lessons on this head. Direct loans are always voluntary on the part of the lender; Treasury note loans may be a forced borrowing from the Government creditor—as much so as if the bayonet were put to his breast; for necessity has no law, and the necessitous claimant must take what is tendered, whether with or without interest—whether ten or fifty per cent. below par. I distrust, dislike, and would fain eschew, this Treasury note resource. I prefer the direct loans of 1820-'21. I could only bring myself to acquiesce in this measure when it was urged that there was not time to carry a loan through its forms; nor even then could I consent to it, until every feature of a currency operation had been eradicated from the face of the bill.

I have spoken to the points which induced me to rise, and might here terminate my remarks; but the committee of which I am a member has been assailed, and, being on my feet, I will say a word in its defence. Senators have said that the committee have reported nothing for the relief of the country—nothing, in fact, of any value or consequence. With deference to their judgments, I presume to think otherwise, and, with the indulgence of the Senate, will undertake to convince them of their mistake. First, there is the merchant's bond bill; it relieves a class of debtors to the amount of four millions of dollars, and, through them, it relieves many others. This bill also grants additional credits on bonds to become due for a year hence, and in that grants further relief to the same class and to their numerous dealers. Then there is the deposite bank relief bill. This gives time to another class of debtors to refund six millions, and, through them, it relieves all their debtors, and, besides, enables them to give temporary assistance to the country generally. Then comes the Treasury note bill—a measure of relief to the States to the amount of ten millions, and, through them, a relief to all their citizens, by supplying the Treasury from our own resources, and thus staving off the contingency on which they became subject to reimburse ten out of the twenty-seven million deposite, whilst still in the very act of receiving it. The Senate, on the motion of the Senator from Pennsylvania who sits over the way, [Mr. BUCHANAN,] has since abrogated this contingency, and substituted the will of Congress; but this change, while it admonishes us to say "farewell—a long farewell" to the twenty-seven millions, and even to fear the approaching departure of the nine millions, cannot diminish the merit of the committee, which had first deferred the contingency before the Senator's motion abrogated it forever.

These are instances of direct relief—large as well as direct—and extending into all the ramifications of society. It is four millions to the merchants, six millions to the banks, and ten millions to the States—in all, twenty millions; and, though nominally to the merchants, to the banks, and to the States, it is in reality to the whole body of the community—to all the citizens to whom merchants, banks, and States resort to collect the money which is to be paid over to the Federal Treasury. To these three bills of immediate, direct, large, and positive relief, the committee have added two others, less general in their scope, and more indirect in their action, but still well entitled to be classed among relief measures—one, to abolish credits at the custom-houses after a given time; and the other, to relieve this city, and these ten miles square, in which Congress has exclusive jurisdiction, from the evils of an irredeemable paper currency, and the pestilence of paper ticket change.

The divorce bill—the bill to dissolve the connexion between bank and state, and to enable the Government to keep in its own hands its own means of existence—will certainly be a relief to one of the parties, if not to both. These bills have been reported by the Finance Committee, and will enable the country to judge how far they are obnoxious to the charge of reporting nothing for relief, and nothing of any value. They are six in number—of great value and efficacy, in my estimation; and they comprise all the subjects on which that committee were expected to produce any thing for the action of the Senate.

There is another bill which may come from another committee, (the Judiciary,) and which I shall rejoice to see come from it—a bill of most potential and universal relief to the whole country! to relieve us from a most crying imposition, which now afflicts and oppresses every thing in our America, from the Federal and State Governments, and their elevated functionaries, down to the tub of the washerwoman and the cart of the drayman. It is the bill to apply the penalties of bankruptcy to their ancient, original, appropriate, and primitive subject, and the one from which the law itself takes its name. Broken bank—*bancus* and *ruptus*—is the Roman designation of the law. Broken banks, and not broken merchants, broken tailors, broken lawyers, and broken farmers, were the Roman, the Grecian, the Asiatic, and the Egyptian subjects of this law. The English, and other moderns, have diverted it to humbler game; and President Van Buren is the first in the list of executive magistrates to propose to restore it to its original and most appropriate subjects. I shall rejoice to see that bill come in. It will be tidings of forthcoming relief to an afflicted and prostrate empire. It will fix the day for the general resumption of specie payments, and will furnish a rule, and provide an engine for separating the solvent from the insolvent "promisers to pay."

That bill has been denounced in advance upon this floor, and war to the knife has been declared against it. The assault has even assumed the character of a combined movement against the nervous system of the friends of the measure. It seems as if they would terrify us. I have not communed with others to learn how they stand the shock of this precocious assault; but, for one, my nerves remain unaffected, and my feet do not feel as if they meditated flight, and intended to bear off my body from the perils of the coming conflict.

That bill has been denounced in an unusual, unexpected, and precipitate manner. I do not return the denunciation, nor do I now undertake its defence, by obliquing into an argument foreign to the question before the Senate; but I am free to declare myself friendly to the measure, and ready to support it as soon as it is brought forward. I am not deterred by the imposing apparition of sovereign States, engaged in the trade, or associated in the business, of banking. My own State, even Missouri, has embarked in the perils and mysteries of this trade. She has chartered a moneyed corporation, and gone into partnership with it; and if ever that concern shall dishonor its "promises to pay," I, for one, shall be ready to apply the penalties of bankruptcy to the whole establishment, and shall make no discrimination between the effects of individual stockholders and the effects of the State embarked in the partnership.

I say this, not in defiance, but in candor, in sincerity, and in openness of heart. I am for the measure, and avow it in my place here; and if the consequences of this avowal should be what some seem to think—an extinction of political existence, and a perpetual exclusion from the purlieus of this ten miles square—I stand here now ready to do the deed, and to pay the forfeit—to vote for the bill without faltering and to march from this Capitol without looking back.

Mr. CALHOUN rose to move that the bill be so amend-

ed as to prevent the allowance of interest on the notes to be issued by the Treasury; but yielded the floor to

Mr. WALKER, who said he had all along intended to offer a similar amendment, and would now (by leave of Mr. C.) do so. Mr. W. said he was opposed to allowing any interest whatever on the notes to be issued, and for the following reasons: First, because it appeared to him quite unnecessary to allow interest on them. This Government, possessed of a public domain of such vast extent and value, amounting to at least seven hundred millions of acres, and being out of debt, (the only Government of which such a proud circumstance could be related,) was not under the necessity of alluring credit to its notes by the offer of a trifling interest. Notes issued by such a Government would command full credit equal to gold and silver, and would freely pass as such without interest. This was his first reason against these notes bearing any interest.

His second reason was the following: If these notes are made to bear interest, they would, almost immediately on their issue, take their flight to Europe; they would be transmitted there, instead of specie; and, coming from a Government of such undoubted credit, they would be freely received there in payment of our debts, even without bearing any interest. Much more, therefore, would they be made welcome in Europe when they bore interest. This was his second reason for wishing to allow no interest upon them, because it would lead to their more rapid abstraction from circulation here.

A third reason Mr. W. would now state, which, indeed, was a branch of his second reason, but to which he earnestly solicited the attention of Senators. He thought that, in consequence of the issue of these bills, bearing interest, an immediate effect would be produced upon the price of cotton, highly injurious to the interests of planters in the South. There is now (said Mr. W.) a demand for cotton, and consequently, a rise in its price. The cause of this he was disposed to attribute to the fact that cotton was a better remittance to Europe in payment of our debts than specie; and, therefore, merchants who had to remit to Europe, instead of buying specie, bought cotton, and remitted it in the place of specie. Hence a demand for cotton in the market. He (Mr. W.) understood that the Bank of the United States itself had gone into market and bought up cotton to send to Europe, instead of specie, setting the example of a remittance so highly conducive to the interests of the cotton-grower—having purchased (he believed) as much as three millions of dollars worth of cotton.

Now the effects of this issue, with interest, would be, that the whole ten millions issued would be sent to Europe, instead of the produce of the country; and, consequently, ten millions less of cotton, or other produce, would be sold. This he (Mr. W.) considered absolutely the same thing as directly taking so much money out of the pockets of the Southern producers, because, but for this measure, so much money would be expended with them in the purchase of their produce. If the merchants who now remitted cotton instead of specie could find any thing more convenient for them to remit—more easily to be procured and transmitted—they would naturally avail themselves of it. Now these notes bearing interest were precisely this convenient remittance which the merchants wanted; and, therefore, instead of buying up any more cotton, they will possess themselves of these notes, and remit them. And, on the other hand, they in Europe would prefer these notes to our cotton, as coming from a Government such as he (Mr. W.) had described, and bearing interest besides, which the cotton did not. Thus the effect would be to throw the cotton of the South out of the market, and thereby cause a fall in its price ruinous to the already ruined producers. Such a measure he, as coming from the great cotton-growing State, felt himself called upon most strenuously to oppose.

Another reason he would state why he wished this issue of notes bearing an interest should not take place; it was this: these notes being remitted to Europe, (as undoubtedly they would be,) would create a debt abroad against us. Our Government would thus be made a debtor to foreign Governments and people—a thing in his view by no means desirable. Mr. W. concluded by moving that so much of the bill as relates to allowing interest upon the notes be stricken out.

Mr. WRIGHT expressed himself taken by surprise with the amendment offered by the Senator from Mississippi. From the discussion which had already taken place on this bill, it was evident that there was much difference of opinion among Senators on this subject; some differed from views of policy, others on principle. He confessed it was his hope that the amendment just offered would not be agreed to. The object which he was anxious to attain was, to make these notes, as far as practicable, equal to gold and silver, and as acceptable to the public creditor. Now, it did not appear to him that this object could be attained unless the discretion allowed by this bill to the Secretary was retained in the bill. Mr. W. did not think that the country, at this peculiar juncture, was in a condition to bear the emission of notes without interest. The effect of such an issue would be to cause the notes to sink in value in the market; but if they bore interest, no risk of this kind he thought would be run. It was to be borne in mind that the interest was not fixed; it was only limited not to exceed 6 per cent.; in every other respect, the question was left entirely to the discretion of the Secretary.

Mr. W. hoped, therefore, that the Senate would let the bill pass as it now stood, without embarrassing it with this amendment. In a very short time after the close of this session Congress would meet again; and then, if it should appear that he and the committee had erred in their suggestion of this measure, the error might be rectified. For his part, he must confess he had been greatly struck with the force of the remarks made by the Senator from South Carolina, [Mr. CALHOUN,] in the course of his speech this morning. He could not say he differed from him: he thought such notes as that honorable Senator had described might, and perhaps ought to be issued; but he found that many of his friends entertained objections—he meant to say political friends. Some of the most distinguished also of his opponents strongly objected to it; their objections went against the principle of the thing; and, as it was his desire to make the bill as far as possible unobjectionable in all respects, he was anxious that it should pass in its present shape.

Mr. KING, of Georgia, must profess the high respect he entertained for the sentiments and opinions of the Senator from South Carolina, [Mr. CALHOUN,] and of the Senator from Mississippi, [Mr. WALKER.] It was, therefore, somewhat painful to his feelings to be obliged, on the present occasion, to differ from those honorable gentlemen. There was one principle of finance which appeared to him incontrovertible: namely, that whenever there existed two sorts of currency in circulation, of which the one, from any cause, possessed any advantages above the other, by answering any one purpose more than the other, then that would always command a small premium over the other. This truth was fully evidenced at the present moment, when drafts which had even been protested, yet coming from the Government, commanded a premium little inferior to that of gold and silver. In order to place these Treasury notes in the most favorable position, and to prevent their depreciation, Mr. K. thought that the discretion allowed by the bill ought to be left with the Secretary, to be used according to the emergency of circumstances. The Secretary might then attach to the notes what interest might be necessary to make them acceptable to the creditors of the Government. He did not entertain the appre-

hensions of his honorable friend from Mississippi [Mr. WALKER] that these notes would find their way to Europe. We had had kites enough, (and, indeed, too many,) which had been made to fly across the Atlantic; and now he thought no more of our paper would find its way to Europe—at least until our debt was paid off there.

Mr. K. proceeded further to combat the opinion of Mr. WALKER, urging that at the present state of the exchanges between the two countries, a better state of things could not perhaps be expected.

Mr. WALKER briefly replied, repeating his views that the price of this year's crop would be considerably diminished by the issue of Treasury notes bearing interest, serving as a remittance to Europe, which would be taken as a substitute for cotton, to the great loss of the South.

Mr. W. said, however, that as he found all his friends opposed to the issue of notes without interest, he would modify his amendment so as to reduce the discretion of the Secretary from 6 to 3 per cent.

Mr. WEBSTER said he would briefly remark, that it was of little consequence as to the results apprehended by the Senator from Mississippi, [Mr. WALKER,] whether the notes bore interest or not; for if they bore interest, $100 would go for $106; and if they bore no interest, there would be the discount, and $100 would at that rate only go for $94. The thing was simple enough, and of very little consequence, as a foreign remittance.

Mr. WALKER briefly explained.

Mr. CALHOUN, in reply to Mr. KING, of Georgia, said he thought it not a desirable thing that these notes should be equal to gold or silver.

Mr. KING, of Georgia, expressed his apprehension that it would not be possible for Government to induce the public creditors to take these notes at all, unless they bore interest.

Mr. CALHOUN. If the banks resume, these notes will be equal to gold and silver.

Mr. BENTON asked for the yeas and nays on Mr. WALKER's motion; which were ordered, and the amendment was rejected: Ayes 6, Noes 40, as follows:

YEAS—Messrs. Black, Calhoun, McKean, Strange, Walker, Young—6.

NAYS—Messrs. Allen, Bayard, Benton, Brown, Buchanan, Clay of Alabama, Clay of Ky., Clayton, Fulton, Grundy, Hubbard, Kent, King of Ala., King of Georgia, Knight, Lyon, Morris, Nicholas, Niles, Norvell, Pierce, Preston, Rives, Roane, Robbins, Robinson, Ruggles, Sevier, Smith of Conn., Smith of Ind., Southard, Spence, Swift, Tallmadge, Tipton, Wall, Webster, White, Williams, Wright—40.

The bill was then ordered to be engrossed and read a third time by the following vote:

YEAS—Messrs. Allen, Bayard, Benton, Black, Brown, Buchanan, Calhoun, Clay of Alabama, Clayton, Fulton, Grundy, Hubbard, Kent, King of Ala., King of Georgia, Knight, Lyon, McKean, Morris, Nicholas, Niles, Norvel, Pierce, Rives, Roane, Robbins, Robinson, Ruggles, Sevier, Smith of Connecticut, Smith of Indiana, Strange, Swift, Tallmadge, Tipton, Walker, Wall, Webster, White, Williams, Wright, Young—42.

NAYS—Messrs. Clay of Kentucky, Crittenden, Preston, Southard, Spence—5.

MERCHANTS' BONDS.

The bill extending the time for the payment of merchants' revenue bonds, was next taken up.

Mr. WEBSTER rose for the purpose of proposing an amendment to the bill, in which, after reflection, he hoped the chairman of the committee [Mr. WRIGHT] would concur. The bill proposed a delay of six months; but, unless a longer period should be granted, it would be utterly impossible to compel payment. By this provision, large sums would fall due in October, in November, in December, and in January. It was to be considered that the obligors on these bonds could not pay them unless they had time to receive their own dues; and the exchanges and business of the country were so much obstructed, and so fallen off from their usual amount, that they could not pay the Government even, on that account, with their usual promptitude. If the Government pressed them, they would be compelled to press their customers in the interior; and they, in turn, to press the people generally. It was a question, therefore, whether these debts had not thus become a matter of public interest and importance.

All, Mr. W. doubted not, might be paid promptly. But a reasonable time must be given. It had been suggested that the bonds, if necessary, might be renewed. But there were objections to that expedient; it was, at best, a troublesome and expensive process. On the whole, with a desire that there should be no absolute pressure in relation to these bonds, and at the same time that nothing like extraordinary indulgence should be granted, Mr. W. would assume the medium of the two periods which had been suggested, and propose an extension of nine months instead of six, as now in the bill. In the mean time, if that should be deemed insufficient, it would at least give ample time and opportunity for bringing the subject again before Congress at the ensuing session. Mr. W. would be extremely gratified if the chairman of the committee would assent to this amendment.

Mr. WRIGHT said he had received a memorial from merchants of New York, strongly urging an extension of twelve months; and they had stated a single fact, which must have a great influence on Congress in this matter: which was, that the principal importations took place semi-annually; and at such times, that the six months in the bill would bring the Government demands upon them when they were most pressed for money; whereas, nine months would bring them to the period when they had the least call for money. Mr. W. believed the Treasury would not be essentially incommoded by this arrangement, and he was therefore in favor of a change of the time to nine months.

Mr. SEVIER called for the yeas and nays on the question, which were ordered, and it was carried in the affirmative: Ayes 44, Noes 1; Mr. SEVIER only voting in the negative.

So the bill was ordered to be engrossed for a third reading.

CLAIMS ON DEPOSITE BANKS.

The bill for adjusting the claims on the deposite banks having been read a second time,

Mr. WALKER moved to insert in the room of "two, five, and eight," the words "*four, six, and nine*" months; which was adopted, and the bill ordered to be engrossed for a third reading.

MERCHANDISE IN PUBLIC STORES.

The Senate then proceeded to consider, as in Committee of the Whole, the bill to authorize merchandise to be deposited in the public stores, and for other purposes.

Mr. BUCHANAN said he relied so much on the benefit of this bill to the country, that he wished to record his vote in its favor. He therefore called for the yeas and nays on its engrossment; which were ordered.

Mr. CLAY, of Kentucky, said he was entirely in favor of the object of the bill, and thought it would be beneficial ultimately to the commerce of the country, and immediately to the manufacturing and other interests. He would, therefore, vote for it with pleasure. He suggested, however, that it was proper to strike out the exception in relation to fruits.

Mr. CALHOUN said it appeared to him that the bill required more consideration, and that it ought to be post-

poned to the regular session. He moved, therefore, to postpone it to the first Monday in December.

Mr. WRIGHT said this was not one of the bills peculiarly connected with the supply of the Treasury. He was, however, ready to act on it now, but was willing to acquiesce in the will of the Senate respecting it.

Mr. BUCHANAN said he should vote against its postponement. The question had long been agitated whether it was not better that every interest should conform to the laws and usages of every other commercial country, so that goods might be deposited in the warehouses. Mr. B. was always prepared to vote for the proposition; and one reason for delaying the bonds was, that, hereafter, no such question could arise. He would indulge the merchants to the greatest extent, on condition that this was the last call from them. A similar favor had been shown to the purchasers of the public lands, and Mr. B. thought it equally due to the merchants. So far as he understood, there was not one merchant now in this city who was opposed to its passage.

Mr. CALHOUN said the situation of himself and the Senator differed. He [Mr. BUCHANAN] had studied the subject, and had satisfied himself that the bill would be beneficial; and for him there might be sufficient reason for such a conclusion. But Mr. C. hoped that he would not, therefore, call upon others to vote without understanding the subject. He thought the request to postpone perfectly reasonable, that others might be as well informed on the subject as the Senator from Pennsylvania.

Mr. BUCHANAN said he had such perfect reliance on the information and intelligence of the Senator, that he believed his mind would be opposed to the bill on the first of December as much as now. He despaired of a change in its favor by that time. He called for the yeas and nays on the question of postponement; which were ordered.

Mr. KING, of Alabama, said he thought the bill would be advantageous, and he was not prepared to go against it. He would move, however, to postpone it till Monday next.

Mr. CALHOUN accepted this modification, though he still thought it ought not to be acted on till the next session; and the bill (Mr. BUCHANAN assenting) was p stponed till Monday next.

On motion of Mr. WRIGHT, the Senate adjourned.

TUESDAY, SEPTEMBER 19.

The following bills were read a third time and passed:

The bill authorizing the issue of Treasury notes;

The bill to extend the time of payment on merchants' revenue bonds; and

The bill for adjusting the remaining claims on the late deposite banks.

KINDS OF MONEY FOR REVENUE.

Mr. RIVES, pursuant to notice, rose to ask leave to introduce a bill to designate the funds receivable in payment of the revenues of the Government.

Mr. R., on introducing the bill, addressed the Chair as follows:

Mr. President: I rise, in pursuance of the notice I gave yesterday, to ask leave to bring in "A bill to designate the funds receivable in payment of the revenue of the United States." It will be borne in mind by the Senate that among the most prominent, and certainly not the least important objects presented both by the President's message and the report of the Secretary of the Treasury, for the "immediate attention" of Congress at their present session, is the expediency of some legislative provision defining the character of the funds to be received, in future, in discharge of the public dues. From the intimate connexion between the collection of the public revenue and the general currency of the country, this question has, in my estimation, far more essential bearings on the great interests of the community than any which the President has submitted for our deliberations. The Committee on Finance, however, to whom the message was referred, have not thought it proper to make any report on that portion of it, and we have been informed by the honorable chairman that it is not their intention to make any report upon it at the present session. It is this omission on the part of the committee that it is the object of my motion now to supply.

The President recommends that henceforward the whole revenues of the United States shall be collected exclusively in gold and silver. A proposition of so marked a character, emanating from a source of such high authority, could not fail to excite deep anxiety in the public mind; and it seemed to me that all uncertainty in regard to the policy of the Government on so vital a subject, should be promptly settled one way or the other, by the action of the legislative department. It is my misfortune to differ with the President in his views of the expediency of this proposition. I am fully convinced that, in the actual condition of our circulating medium, and in what is likely for years to come to be its condition, the operation of such a measure would be distressing to the community, injurious to every branch of industry and enterprise, and, above all, would postpone indefinitely that return to specie payments by the banks, which is the great object of the public solicitude, and ought to be the end and aim of our deliberations here. Viewing the question in this light, I desired it should be met with promptitude, considered with candor, and decided with wisdom.

Since I gave notice yesterday of my motion, two gentlemen, the Senator from South Carolina, [Mr. CALHOUN,] and the Senator from Missouri, [Mr. BENTON,] have submitted propositions intended to carry out the President's recommendation, differing somewhat in detail, but both founded on the principle of rejecting bank paper altogether in the operations of the Government, even though immediately convertible into specie, and issued by banks of unquestionable solidity. Both contemplate, as does the recommendation of the President, a thorough revolution in the policy and practice of the Government. From the origin of the Government it has been the practice of the Treasury Department to treat the notes of specie-paying banks as equivalent to specie; and the joint resolution of 1816 expressly placed bank notes convertible into specie on the same footing with specie, in the fiscal transactions of the Government. It is true that, under the construction given to that act by the law officer of the Government, the late President of the United States caused an order to be issued requiring payments for public lands to be made in gold and silver alone, still leaving the other branch of the revenue (the customs) to be collected as heretofore, in the notes of, or checks on, specie-paying banks. That order was understood at the time to be issued for objects purely of a temporary nature, and as such it may have been a salutary measure. But its continuance as a part of the permanent policy of the Government was almost unanimously repudiated by the voice of the representatives of the people and of the States.

You well remember, Mr. President, that the discussions to which this subject gave rise, during the last session of Congress, terminated in the passage of a bill, by overwhelming majorities of both Houses, distinctly reaffirming the principle of the joint resolution of 1816, in relation to the receivability of the notes of specie-paying banks, and containing also the significant provision that, in future, no discrimination should be made between the different branches of the revenue, as to the medium in which they were to be paid. This bill received the votes of nine-tenths of the members of this House, and near three-fourths of the other. Still it did not become a law. The circumstances under which it was arrested in the ordinary and regular course, and which alone prevented it from being now the law of the land, are fresh in the recollection of

the country. I will not speak of them, for it is my sincere wish to keep out of the present discussion every thing which may awaken unpleasant feelings. But this I will say, that no act of legislation was ever the subject of a more watchful scrutiny, in the various stages of its progress; few, if any, have ever met a fuller discussion, or a more deliberate consideration; none, within my experience, has ever received a more unanimous and emphatic assent of the bodies by which it was passed. The country, too, so far as I have been able to learn, (and I have not been an inattentive observer of the evidences of public sentiment on the subject,) has responded with a general voice of approbation to the decision of Congress, and warmly and cordially sustained it. It is that measure, thus doubly sanctioned, with some modifications suited to the change of circumstances, that I beg leave to re-present as a compliance with the call of the President on Congress for further legislation, believing it to be adapted to the exigencies of the occasion, as well as useful and salutary in its general operation on the currency.

The principles of that bill were these: It declared that the public dues should be collected in specie, or in the notes of specie-paying banks, under certain restrictions in regard to small notes, which were intended to operate the suppression (ultimately, but gradually) of all notes under twenty dollars; and it further provided, as I have already stated, that, in future, no discrimination should be made between the different branches of the revenue, as to the funds in which they were receivable. These principles are incorporated in the bill I now ask leave to present, and in the very language in which they stood in the bill of last session. The modifications of that bill which I have made with reference to existing circumstances are these: In contemplation of the contingency (now highly probable) of an issue of Treasury notes, I have introduced an alternative clause, declaring that, in addition to specie and the notes of specie-paying banks, the public dues may be collected "in any other medium specially authorized by law." The other modification has relation to the great desideratum of an early resumption of specie payments by the banks, and consists in a proviso that "the notes of no bank which now fails, or may hereafter fail, to redeem its notes in specie, shall, at any time, be received in discharge of the public dues, unless such bank shall, on or before a given day, have *bona fide* resumed payment in specie." The object of this proviso is to designate a fixed period for the resumption of specie payments by the banks, which may serve as a rallying point to them all, and produce that concert and harmony of movement, without which this most desirable end cannot be accomplished. There will be no difficulty, I think, from the data already in our possession, or easily attainable, in fixing that period understandingly and judiciously. The mere designation of a day by Congress will, itself, be powerfully operative in effecting the result we aim at. You doubtless recollect, Mr. President, what was the effect produced by a similar proceeding in 1816-'17. By the joint resolution of April, 1816, the 20th of February following was fixed as the day for the resumption of specie payments by the banks. The banks themselves determined, in a formal convention held for the purpose, not to resume until the 1st of July, 1817; but the firm adherence of Congress to their original resolution forced the banks to yield, and they finally and simultaneously resumed specie payments on the 20th February, 1817, the day indicated by the act of Congress.

The inducements to an early resumption of specie payments held out to the banks by this bill are two fold. It addresses itself both to their hopes and their fears. It says to them, in effect, that, whenever you resume specie payments, (provided it be before a certain day,) your notes, under the restrictions of the bill, shall be receivable in payment of every branch of the public revenue, whether for lands or customs; but if you do not resume by that day, your notes shall not be received in payment of public dues, even though you may thereafter resume. The banks will thus be doubly stimulated to a resumption of specie payments—by the promise of a benefit on the one hand; by the exhibition of a penalty on the other.

With these provisions I do not doubt the early re-establishment of a sound and healthy state of things. What is the present condition of the country; and what the treatment it demands? If we look around us, we find all the great sources of national prosperity still unimpaired—the land, the labor, the capital of the country, in their accustomed fertility and abundance. And yet industry is paralyzed; commerce at a stand; the currency degraded and deranged; the precious metals fled from circulation; the land overrun with spurious or precarious substitutes for money, exposing every interest of society to insecurity and hazard—an insecurity and hazard involving alike the wages of labor, the value of property, the fulfilment of contracts, all the acquisitions of the past, and all the hopes of the future. Now, what is the remedy for this extraordinary state of the body politic? It is comprehended in a single word—the restoration of confidence.

It will be admitted on all hands that the first thing to be brought about, with a view to the amelioration of the present condition of things, is the return to specie payments by the banks. But that return cannot be effected without a restoration of confidence; and confidence is to be restored mainly by the policy and example of the Government. With its aid in the re establishment of confidence, nothing is clearer than the ability of the banks, at an early day, to resume and maintain specie payments. Let us for a moment look at the condition of the country and of the banks in regard to those particulars which form the leading elements of this question. And, first, as to the stock of precious metals in the country. This supply in the country is most abundant; for, although a good deal has gone out recently, to pay off our foreign debt, an equal, or nearly equal, quantity has come in. It is shown by official returns that the importations and exportations of specie, during the year, very nearly balanced each other. The quantity in the country at this moment, according to the estimates and statements we have received from the Treasury Department, is nearly three times as great as it was four years ago. The *means* to enable the banks to resume and sustain specie payments are, therefore, ample and unquestionable, as soon as confidence shall be restored. Then, as to the balance of our foreign debt, which forms another important element of this question, it has been in a course of constant and progressive reduction for the last six months, and with the aid of the new crop which is now coming in, and the great diminution of foreign imports, we shall soon see it entirely extinguished. At the same time, the great mass of the banks throughout the country have been diligently preparing themselves for a return to specie payments, by a steady and judicious reduction of their circulation.

Nothing, then, is wanting to a speedy accomplishment of that great object, but the restoration of confidence; and it depends mainly on the action and policy of the Government to supply that requisite. The currency of the country is, at this moment, in the condition of a human body in a state of suspended animation—the heart still beats, the principle of vitality is unextinguished, but the active functions of life are suspended. Let the Government but breathe the breath of confidence into it, and it will be at once resuscitated. It is the more necessary that the Government should give its aid in this work of restoring confidence, because, whether justly or unjustly, it is from the Government that the greatest danger of hostility is apprehended. Let this apprehension, then, be quieted by some pledge of security, by some token of encouragement and confidence.

The Senator from South Carolina [Mr. CALHOUN] asserted yesterday that the disease of the country is debt, the only remedy is time, and that he relied much more on the cotton and tobacco crops for relief than upon any action of the Government. Sir, the debt of the country, as I have already remarked, has nearly reached its extinguishment, either by actual payments or the bankruptcy of unfortunate debtors. But, if this were not so, the cotton and tobacco crops, though essential ingredients of relief, do not supersede the necessity of other and auxiliary remedies. Examples are not wanting in the financial history of this and other countries, to show the magical effects of confidence in periods of great public distress, and how that confidence depends on the conduct and policy of the Government. The year 1793 was a period of the severest commercial distress in England. More than a hundred country banks became bankrupt, and the whole country seemed destined to a similar catastrophe; when a single act of the Government, encouraging confidence, produced immediate and general relief. I allude to the offer made by the British Government, in that crisis of suffering and alarm, to lend to solvent dealers five millions of pounds in Exchequer bills. A considerable part of the sum was not taken or even applied for; but the simple offer of the credit of the Government, in restoring confidence between man and man, elicited the dormant resources of the country, and relieved at once the general distress.

We have had a similar and striking example in our own country. You well recollect, Mr. President, the memorable panic of 1834, which ensued on the removal of the deposites from the Bank of the United States. The storm which was raised on that occasion was directed chiefly on the great commercial emporium of New York. The Legislature of that patriotic and powerful State, with a paternal sensibility to the interests and sufferings of her citizens, came forward and authorized the creation of a stock of six millions of dollars to be lent to the banks, for the purpose of sustaining them under the extraordinary presure to which they were exposed. What was the effect? Not a solitary dollar was taken by the banks; but the offer itself operated like a charm. It restored confidence and relieved the pressure. These examples may serve to show gentlemen that there is some practical virtue in confidence, and in the moral power of the Government to promote and encourage it. What does the country ask at the hands of the Government at the present moment? Is it a loan of six millions? No, sir. The only boon that is asked, the only aid that is wanted, is, that the Government should not discredit, by its act, the great circulating medium of the country, in which ninety-nine hundredths of the transactions of society are negotiated and settled, when that medium shall be restored to soundness, and brought back to the standard of convertibility into specie.

In connexion with this subject, I beg leave to call the attention of the Senate to one remarkable consideration. It is this: the President, in tracing the causes of the present calamity, states that the same embarrassments and distresses have existed in England as in this country, arising from the same general causes, with this only difference in the result—that here the banks have suspended specie payments, while in England no such catastrophe has occurred. This difference to my mind comprehends every thing. It is rendered the more remarkable by the fact that, during the progress of these difficulties, England was constantly losing her supply of the precious metals, the stock of bullion in the bank having been reduced from about eight million to four million pounds sterling, (one half of her ordinary quantity,) while in this country, during the same period, the precious metals have been steadily flowing in upon us, and accumulating in an unprecedented manner; so that, at the time of the suspension of specie payments we had three times the amount of specie we ever possessed before. According to these circumstances, the results in the two countries ought to have been precisely reversed. We should have continued to sustain specie payments here, while a suspension of them in England would seem to have been inevitable. Why has it been otherwise? How has it happened that England, with her supply of the precious metals reduced to one half her usual stock, has continued specie payments, while we, with three times the amount we ever had before, have been compelled to suspend specie payments? The solution must be found mainly in the fact, that in England, in periods of commercial distress, confidence is always encouraged by Government, while here nothing was done by the Government to animate and sustain confidence. I do not mention this as matter of reproach to the Government. It may be that the Government here believed it had no constitutional faculty to interpose in any manner for the support of confidence. But, unfortunately, direct and open attacks on the commercial credit and institutions of the country, well calculated to destroy confidence, were made in a quarter which, from the relation it bore to the Government, gave rise to lively apprehensions of hostility from the Government itself. These apprehensions are now again revived by the recommendation of the President—a recommendation which, if attempted to be carried into execution, would, in my humble judgment, render the recovery of the country from its prostrate condition hopeless and impossible.

It is a matter susceptible of demonstration, that if the policy of demanding specie exclusively in payment of the public dues shall now be adopted, it will be utterly impossible for the banks to resume specie payments. It is an invariable law of currency, well stated by my honorable friend from Georgia [Mr. KING] yesterday, that if there be two currencies in a country, one answering all the purposes of the other, and a valuable purpose besides, the currency answering the additional purpose will always command a premium. This is the condition of the country at the present moment. Bank paper constitutes the great mass of the circulation, while gold and silver are only to be had at a premium. If the Government shall now adopt the policy of requiring payment of its dues in specie alone, this state of things must be perpetuated. Applicable to all the purposes for which bank notes can be used, and, over and above that, answering the important purpose of paying the public revenue, from which bank notes will be excluded, specie, under these circumstances, must continue to command a premium. Can the banks resume specie payments in the face of a premium borne by gold and silver? The very moment they opened their vaults, the holders of notes, in order to secure the premium to be obtained for specie, would make a general run upon them for cash; and if they opened their vaults, it would only be to close them immediately.

But again, sir, would not the example of the Government, in the indiscriminate rejection of all bank paper, have a powerful moral influence in exciting the jealousies and suspicions of the whole community? If the Government, by its acts, shall declare bank paper to be worthless or unsafe, will not the people also take the alarm? Will not a general distrust be created of all banking institutions, and will not every person holding their paper become impatient to convert it into specie? In this pervading want of confidence, their vaults would be drained of every dollar they possessed. It is demonstrable, therefore, that, under the policy of collecting the dues of the Government in hard money alone, we never can accomplish that great object in which the whole country has so vital an interest—the resumption of specie payments by the banks.

How does the proposition of the honorable Senator from Missouri [Mr. BENTON] bear upon this question? Its practical effect, if I understand it correctly, will be to enforce a penalty upon the banks for resuming specie payments. In the amendment offered by him there is a blank left for the

day after which the revenues are proposed to be collected in gold and silver only; and I understood the gentleman to say it is his intention to fill that blank with the day on which the banks would probably resume specie payments. I believe, sir, said, Mr. R., (turning to Mr. BENTON,) I am not mistaken. [Mr. BENTON. Right, right.] Then, Mr. President, here is a positive penalty denounced against the banks when they shall return to specie payments. As the law now stands, the notes of specie paying banks are receivable in payment of the public revenue. The Senator is willing that this should continue to be the law while the banks do not pay specie for their notes; but when they do pay specie, the honorable gentleman says to them, we will revoke this privilege, thenceforward reject your notes, though immediately convertible into specie, and declare that, from and after the day of your resumption, nothing but gold and silver shall be received in discharge of the public dues. Is not this, in effect, a direct penalty visited upon the banks for returning to specie payments? Under such a policy, this great object of public interest and anxiety never can be accomplished; and I recur with confidence to my original position, that the only means by which it can be effected is a just, safe, and paternal policy on the part of the Government, announcing to the banks that, on such conditions as may be necessary to guard against the recurrence of the catastrophe we are now suffering from, we will receive your notes, convertible into specie, in payment of the public dues, as they have been received, by the practice of the Treasury Department or by express enactment of law, from the origin of the Government down to the present time.

I have thus far, Mr. President, spoken of this matter in reference to the particular circumstances of the crisis, and what appears to me to be the pressing and paramount object to which the attention of every patriotic legislator ought to be directed at the present moment—an early resumption of specie payments by the banks. But, looking at it in a broader and more general point of view, I ask, sir, upon what principle of republican government is it that the Government can be justified in drawing a line between itself and the people—in saying there shall be one currency for the Government and its officers, and another for the great body of the community—that the better currency shall be for the governors, and the baser currency for the governed? Such I have shown must be the effect of demanding the public dues in gold and silver exclusively, while the great mass of the circulation shall consist of bank paper. Sir, I have always been taught to believe—my honorable colleague and myself learned it from the bill of rights of our own State as soon as we were capable of reading—that a common interest between the governors and the governed is a fundamental principle of free institutions, and that the best means of "restraining the former from oppression is to make them feel and participate the burdens of the latter." Let the Government share the same fate with the citizen, and you give it the strongest of all motives to watch over the general interests. On the other hand, place it in a position different from that of the great body of the community, especially in so vital a matter as that of its revenue and pecuniary support, and you make it at once callous and indifferent to the sufferings of the people, and even give it an interest to perpetuate those sufferings. You destroy all sympathy on the part of the Government with the people, and you alienate the confidence and affections of the people from the Government.

What, sir, is at this moment the ungracious attitude in which the Government is placed towards the people? Its officers and contractors are paid in gold and silver, or in Treasury drafts made receivable in discharge of public dues, and therefore nearly equivalent to gold and silver, while the community at large are left to conduct their business as they may, in an irredeemable paper currency. Does not this operate as a virtual increase of the salaries of public officers, in the midst of general distress affecting all the rest of the community? The gold and silver which they receive is at a premium of ten or twelve per cent., and the Treasury drafts at seven or eight per cent., above the actual and common currency of the country. This premium is, I repeat, an addition of so much to the amount of their salaries; for, in a practical sense, there has as yet been no depreciation in the value of current bank notes. They pass for as much in the ordinary business of life—in the payment of debts, in the purchase of necessaries and conveniences, of whatever is worn, drank, or eaten—as they ever did. The premium, then, which the public officers and contractors obtain on their gold and silver, and Treasury drafts, is so much clear gain to them. And at whose expense is it acquired? Is it not at that of the great body of the people, the ultimate tax-payers and supporters of the Government? Does any one suppose that the importing merchant, who has to give ten or twelve per cent. for the gold and silver, and seven or eight per cent. for the Treasury drafts, with which he pays his duties to the Government, does not add an equal amount, with the usual profit upon it, to the price of his goods? It is, then, the consumer, at last, or, in other words, the great body of the people, who are subject to increased taxation for the benefit of the office-holder and the contractor.

Sir, this is a state of things which I do not wish to see perpetuated. It is contrary to the genius and fundamental principles of our republican system. Of all schemes of policy I can conceive, that which proposes a permanent distinction between the Government and the people in their pecuniary interests—one currency, and that the better one, for the Government, and another, and inferior currency, for the people—such a system of discrimination is, to my mind, of all others, the most injurious and revolting in principle, the most heartless in character, and the most despotic in its tendencies. It is like quartering the Government, as a foreign enemy, on the heart of the country. You entrench it behind a frowning fortification, surround it with battlements, and lay the country, far and near, under contribution for the support of this garrison of office-holders. Desolation and oppression are without, while the tenants of the citadel are revelling in luxury and profusion within. I am not willing, for one, to see the Government of my country placed in this antisocial, if not belligerant, attitude towards the people. I am not willing that this favored land, to which the nations of the earth are looking for a successful example of the practical enjoyment of free institutions, should exhibit such a spectacle of inequality and oppression in the eyes of the world.

Much reliance, Mr. President, has been placed on the popular catch-word of divorcing the Government from all connexion with banks. Nothing is more delusive and treacherous than catch-words. How often has the revered name of liberty been invoked, in every quarter of the globe, and every age of the world, to disguise and sanctify the most heartless despotisms. Let us beware that, in attempting to divorce the Government from all connexion with banks, we do not end with divorcing the Government from the people. As long as the people shall be satisfied in their transactions with each other, with a sound convertible paper medium, with a due proportion of the precious metals forming the basis of that medium, and mingled in the current of circulation, why should the Government reject altogether this currency of the people, in the operations of the public Treasury? If this currency be good enough for the masters, i tought to be so for the servants. If the Government stern.y reject, for its uses, the general medium of exchange adopted by the community, is it not thereby isolated from the general wants and business of the country, in relation to this great concern of the currency? Do you not give it a separate, if not hostile, in-

terest, and thus, in effect, produce a divorce between Government and people?—a result, of all others, to be most deprecated in a republican system.

We have been told, Mr. President, of the embarrassments and inconveniences to which the Government is exposed, by receiving its revenues in any thing but gold and silver, in such an event as has now overtaken the country and involved it in general distress. For one, sir, I cannot respond to this appeal. I do not desire to see the Government placed in a position that would exempt it from embarrassment when the people are embarrassed. Would it give any satisfaction to a patriotic mind, in the present calamitous condition of the country, to see treasures of gold and silver pouring into the coffers of the Government, while the people are suffering all the evils of an irredeemable and depreciating paper currency? For myself, I am free to say, that neither as a citizen nor as a representative, having it in my power, if I would, to participate, in some degree, in these peculiar advantages of the Government, could such a state of things minister the slightest gratification to me. No, sir, my heart disowns the thought. So far from it, the contrast would be but a new feature added to the mortifying and distressed condition of the country, and casting reproach upon our institutions, which admitted such an unnatural and anti-republican inequality. If any thing could make your Government a callous and indifferent spectator of the sufferings of the people, refusing a helping hand to their relief, and "mocking when their fear cometh on," it would be to place it in a position like this. No, sir; whenever the people suffer embarrassment, embarrassment should be felt by the Government, that it may be stimulated, through experience of the common suffering, to do all it can to prevent or relieve that suffering. I am for holding the Government in all things to a common fate with the people, so that whatever touches the one shall be immediately felt by the other. Let the condition of the Government answer to the condition of the people, so that the conduct and policy of the one may, with equal fidelity, reflect the interests and sentiments of the other.

This, sir, is the principle which has always guided my views in regard to the great question of the currency. No one desires a sound reform of the currency more than I do; but I wish to improve it for the benefit of the people as well as of the Government. I desire to see a large infusion of the precious metals into the general circulation and business of the country, and not a monopoly of them by the Government. This great object can be effected only by the suppression of bank notes of the lower denominations, and not by demanding gold and silver alone in payment of dues to the Government. Let all notes under twenty dollars be gradually suppressed, and you will have an abundance of gold and silver in common circulation, passing from hand to hand in the common business of society. That will be a salutary and beneficent reform, enuring to the advantage of the great body of the people as well as of the Government; and when it shall have been accomplished, when gold and silver shall thus have become the common currency of the country, you may, without hardship or injustice, demand payment of the public dues in the precious metals. But this most desirable result—the general circulation of gold and silver in the common business of life—never can be effected, (as I think I have fully shown on another occasion,) without a previous suppression of bank notes of the lower denominations. In every scheme of reforming the currency, which looks to the benefit of the people as well as of the Government, this is the great point to be aimed at. It was the leading object of the measure I brought forward during the last session of Congress, and which then received the almost unanimous sanction of this House, and the assent of a large majority of the other, though, from causes to which I have already alluded, it failed to become a law. The same measure, in all its essential principles, I now again submit for the consideration of the Senate.

The President, sir, in his message, tells us that the requisition of gold and silver in payment of the public dues would have "a direct tendency to produce a wider circulation of the precious metals, to increase the safety of bank paper, and to improve the general currency. I desire to treat the opinions of the President with all possible respect—a respect felt alike for the individual and the magistrate; but unless I have wholly misconceived the elementary principles which belong to this subject, as well as their obvious practical operation, it is impossible to sustain any one of these positions. How, sir, can the collection of the revenue in gold and silver tend "to widen the circulation of the precious metals?" It is a well-known and invariable law of currency, that bank notes and coins of the same denomination cannot circulate together. It is in vain, then, to attempt to widen the circulation of gold and silver by any other means than by the suppression of bank notes of the lower denominations. But, not now to dwell on this view of the subject, (which I have fully developed and enforced elsewhere,) I maintain that the collection of the public revenue in gold and silver, while the common currency of the country consists of bank paper, instead of widening the circulation of those metals, would have the effect of taking them out of general circulation altogether. In the remarks I have already made, I think it has been satisfactorily shown that the necessary effect of this policy would be to cause gold and silver to bear a premium. Bearing a premium, they would not circulate as currency at all, but would be at once converted into an article of merchandise. The public debtor would buy them of the broker to pay his dues to the Government; and when paid out to the public creditor, he would go and sell them again to the broker. Instead of entering into circulation, all of them that were seen would be restricted to this narrow round of traffic, while the great mass of them would be withdrawn from public view as well as use.

Then, sir, as to the tendency of this policy to "increase the safety of bank paper"—would you increase the safety of bank paper by abstracting the fund for its redemption? Yet, such would be the plain operation of this policy. The Secretary of the Treasury has referred to the condition of the Treasury in 1834, as affording a general average to illustrate the operation of the new financial system he proposes. In looking at the Treasury statements for that year, I find that the average amount of public moneys on deposite in the city of New York, during that year, was about five millions, while the whole amount of specie in the banks of the city was about two millions. Taking this as a fair average for that city, what would be the influence of this new policy of collecting the public dues in gold and silver, on the safety of bank paper there? Where would you get the five millions of specie to meet this demand for the public revenue? It is evident the banks would be drained by it of their stock of the precious metals, and the community would thus be deprived of the security on which they relied for the soundness of the bank paper held by them. The "improvement of the general currency," then, which the President anticipates as the result of the policy he proposes, would, unless the principles heretofore received as incontestable truths on the subject of the currency be utter fallacies, amount to this, that the precious metals would no longer form a part of the general circulation; that they would cease to be currency, and become mere articles of merchandise, to be obtained only at a premium, and that the specie basis, on which the soundness and safety of bank paper so mainly depend, would henceforward, to a great extent, be withdrawn and monopolized by the Government.

But it has been said, and I regret to perceive that the

idea is countenanced by the high authority of the President, that the general currency of the country is a matter with which this Government has nothing to do; that its duties are confined to the exercise of the coinage power and the collection of its own revenues in gold and silver; and that the general circulating medium of the country must be entirely abandoned to the separate and often conflicting control of the individual States. Now, sir, as my opinion differs alike from this view of the subject, and from that urged a few days ago by the Senator from Massachusetts, [Mr. WEBSTER,] I beg leave to state briefly what they are. The whole history of the formation of the constitution, as well as the internal evidence of its provisions, prove, beyond question, that the framers of that instrument intended that there should be a common currency for the Union, and not "as many different currencies as there are States." They, doubtless, believe that that currency would consist, almost entirely, of gold and silver. There were but two banks then in existence, whose issues formed an exceedingly small part of the general circulation. They no more foresaw that immense multiplication of banks, which has made bank paper the actual currency of the country, than they foresaw the two great discoveries of the age—steamboats and railroads—which have had so extraordinary an influence on the wealth and resources of the country. Believing that gold and silver would continue to constitute the currency of the country, they placed the "regulation" of that currency expressly under the control of Congress, and took it away, in terms equally express, from the States. But while they did this, they left with the States (for the omission to take it away amounted to the same thing) the power of incorporating banking institutions. In the general and extensive exercise of that power by the States, the issues of the banks have come to take the place of gold and silver, and to form the actual currency of the country. In the practical working of our system, then, a state of things has grown up entirely unforeseen by the founders of the constitution. This Government has no authority, by force of law, to put an end to that state of things, nor is it desirable, considering the many and indisputable conveniences of a sound paper currency, in the present advanced stage of commerce and civilization, to destroy it altogether. But as the original design and intention of the constitution certainly was that there should be a common currency for the Union, it is incumbent upon Congress, in the exercise of the powers delegated to it, to do all it can to fulfil that design, and to render the actual currency of the country as sound, as equal, and as nearly equivalent to gold and silver as possible.

This duty is essential to the harmony and friendly intercourse of the States, and is, indeed, intimately connected with all the objects of a common Government which led to the establishment of the constitution. But this duty is to be measured by the extent of the powers which have been delegated to Congress; for it must always be borne in mind that this Government can exercise no other powers than such as have been specifically delegated to it. Now what are those powers in regard to the question of the currency? The Senator from Massachusetts [Mr. WEBSTER] argued, the other day, as if the constitution had given to Congress a substantive and plenary power to "regulate the currency," *eo nomine*, and inferred from thence the power to establish a national bank to regulate the issues of the State banks, which form the actual currency of the country. But, in the first place, the constitution has not delegated to Congress any general or substantive power to "regulate the currency," nor has it, any where, either by express grant, or necessary implication, given to Congress the power to create a banking corporation. What, then, are the powers it has vested in Congress on the subject of the currency? In the first place, it gives to Congress "the power to coin money and regulate the value thereof." But since the precious metals form so small a part of the actual circulation of the country, this power, however important in itself, can exert no controlling influence on the general currency. We then find that the constitution gives to Congress the power "to lay and collect taxes, duties, &c., to pay the debts, &c. of the United States." From the large amount of the receipts and disbursements of the Government, this power is susceptible of an extensive and important bearing on the general currency of the country. In the exercise of it, it is incumbent on Congress to make it instrumental to secure to the whole country, as far as possible, the benefits of a sound and equal currency, equivalent every where to specie. It may be so managed, by receiving the paper and employing the agency of the State banks, in the fiscal operations of the Government, under certain salutary restrictions and conditions, as to impart to the issues of those banks, forming the actural currency of the country, some of the most essential qualities of a sound, stable, and equal circulating medium. But if, on the other hand, this incidental control, through the revenue power of the Government over the actual currency of the country, is to be abandoned, and that currency be regulated exclusively, as is now proposed, by the separate and conflicting legislation of the individual States, our whole monetary system, affecting so widely and deeply the interests of society, must run into wild disorder and confusion, and one of the highest objects of the constitution be nullified and defeated.

This, sir, was the doctrine steadily maintained by the late administration. From the removal of the deposites from the Bank of the United States down to the close of that administration, it was constantly put forth, in bold relief, in the messages of the President, and the reports of the Secretary of the Treasury, as well as in the speeches of its leading friends in this and the other branch of Congress. The obligation of the General Government to watch over the general currency, and to secure to the whole country, as far as possible, the benefit of a circulating medium that should be sound and of equal value, was distinctly recognised and admitted; and it was contended that this object could be as effectually accomplished through the State banks, as by the agency of any national incorporation. The management of the revenue, through those institutions, was to be the instrument by which the end was to be accomplished, and the particular means relied on was to make a suppression of the small notes, and some other reforms in the currency, the conditions of a deposite of the public funds in the banks, and of the receivability of their notes in payment of the public dues. By the employment of these means, the late President, in his last annual message but one to Congress, said, "we should soon gain, in the place of the Bank of the United States, a practical reform in the whole paper system of the country," and looking forward to the ultimate suppression of all bank notes below twenty dollars as the result of this policy, he hailed it with enthusiastic patriotism, as "forming an era in the history of our country, which would be dwelt upon with delight by every true friend of its liberty and independence." The present Chief Magistrate, in his celebrated letter to a member of the other House, speaking of this same policy, said: "nothing but a faithful prosecution of it by the General Government and the States is necessary to place us on a footing of equality with other nations," enjoying, in the highest degree, the advantages of a stable and uniform currency. To all this, I was a sincere convert, and am still. I still believe that it is the duty of this Government—a duty from which it cannot free itself without betraying one of the highest objects of the Union—to exercise a superintendence, in all constitutional modes, over the general currency, so as to secure to the whole country a sound, stable, and, as nearly as may be, uniform medium of exchange; and, to use the lan-

guage of the late President of the United States, that "the management of the public revenues, through the State institutions, may, and ought to be, made auxiliary" to the accomplishment of this great end.

The measure which I now offer to the consideration of the Senate, and which received the almost unanimous sanction of both Houses of Congress at the last session, is the result of these views. Permit me, for a few moments, to inquire what would be its practical effects on the general condition of the currency, if the policy it holds out should be carried into full effect by the co-operation of the States and the General Government, as I think it would be if sustained here. It contemplates the gradual suppression, after given periods, of all bank notes under ten and twenty dollars respectively. Supposing this last limit attained, how would the currency of the country then stand under its operation? According to a calculation I submitted last winter, founded on authentic data, it would in that case be constituted nearly as the currency of England is, that is, nearly one half of the precious metals, and the residue of convertible paper. Would not such a constitution of the currency as this accommodate all the wants of the community? What are the real wants of the country in regard to currency? To have a sound, stable, and convenient medium of circulation, for ordinary and local purposes; and for occasional and more extended use, a medium which, in addition to these fundamental properties, shall be substantially of uniform value throughout the whole country. Now, for the first description of uses there could be no better currency than the policy of this bill would give us. There would be an abundance of gold and silver in circulation for the great mass of daily and ordinary transactions, while, for large payments and remittances, we should enjoy the conveniences of a sound, convertible paper medium. In regard to those distant uses which call for a medium of general and uniform credit, the occasions of them are either travelling or remittances. But for travelling, there could be no medium of more uniform and general credit than the gold coins, which, in the case supposed, could always be had without difficulty, while they would at the same time be perfectly portable and convenient. As to distant remittances, they are hardly ever made in money of any sort, but are effected through drafts and bills of exchange; and when the local currencies within their respective spheres shall be raised to par with specie, the rates of exchange, with the advantages of so portable a currency as gold to adjust balances between the States, would be next to nothing—certainly as cheap as it has ever been under the regime of a national bank.

Among the most important advantages of such a constitution of the currency as is contemplated by this bill, are the substantial securities it would afford against the peculiar dangers and evils of the banking system. Those evils are, a tendency to over-issues of paper, fluctuations in the quantity of currency and in the value of property as affected by them, and the liability to a suspension of specie payments. The suppression of the small notes would operate, in two ways, to check over-issues. In bringing a larger quantity of gold and silver into circulation, it would, of course, diminish in the same proportion the issues of paper to form a part of the circulation. The number of issuers, too, would be diminished; for, the small note circulation being a considerable source of profit, its suppression would take away one efficient motive to the multiplication of banks. Then as to fluctuations in the amount of the currency, and the often ruinous fluctuations that ensue in the value of property, this evil is greatly increased by the fact that, in the existing state of the currency in this country, whenever an unfavorable balance of trade creates a drain on the banks for specie, having no means of recruiting their supply but from abroad, for every dollar of specie that is drawn from them they are forced to draw in their own circulation to three or four times the amount. But when the domestic channels are filled with gold and silver, as they would be if the small notes were suppressed, the banks, being always able to replace whatever specie is drawn from them by a foreign drain, with an equal quantity obtained in the country, their circulation remains comparatively steady. The same circumstance, enabling the banks to meet any sudden run upon them by a prompt reinforcement of their resources, obviates the danger of a suspension of specie payments, and renders such a contingency next to impossible. If all bank notes under twenty dollars had been suppressed, who, for example, could suppose that, filled as the channels of circulation would in that case have been with gold and silver, and the quantity of bank paper comparatively small, the banks of this country would, in the late pressure, have been compelled to suspend specie payments?

The system of policy, then, proposed by this bill, if carried into full execution, would secure to the country a sound, stable, convenient, and substantially uniform currency—consisting nearly one-half of coin for the daily and ordinary transactions of life, and the residue of sound convertible paper, for large operations and commercial purposes. Without depriving the community of any of the advantages of the banking system, it would obviate the danger and cure the evils incident to that system. But the Senator from South Carolina, [Mr. CALHOUN,] while acknowledging the high importance of the reform contemplated by the bill, objects that the means proposed for its accomplishment are inefficient. If that gentleman be right in supposing that the credit of bank paper is owing to its receivability in payment of the public dues, which, he says, operates as a general endorsation of it by the Government, then surely the means proposed by the bill are not inefficient. What more powerful inducements could be addressed to the banks to conform their issues to the provisions of the bill than the annunciation that, if they did not do so, the Government would withhold from them that which, according to the opinion of the Senator from South Carolina, alone gives credit to their paper? But, without agreeing with the Senator from South Carolina in the extent to which he carries his views of the credit of bank paper being solely derived from its receivability by the Government, I still believe that the sanctions of this bill, though I have never supposed them sufficient of themselves to fully accomplish the object, would exert a very considerable influence on the conduct of the banks. It must not be forgotten that the means proposed by this bill are the very means employed by the joint resolution of 1816, to bring the banks back to specie payments on that occasion, and which, notwithstanding the previously declared determination of the banks to the contrary, did bring them back to specie payments on the day fixed by that resolution. The same means, too, were employed with success by the Secretary of the Treasury, in 1815, to induce the banks to receive Treasury notes (which had sustained a considerable depreciation) at par, though they had before refused to receive them either in payment or on deposite.

But my reliance is not so much on the direct operation of this measure on the banks themselves, as on the moral influence it is calculated to exert upon the policy of the States, which have full and complete power to carry its object into effect. The public mind is now universally awakened to this great common interest of the currency, and is anxiously looking to Congress for the adoption of some common system, to be acted upon and carried out by the States, so far as their action may be necessary to supply the defect of Federal power. The States have heretofore shown no backwardness in seconding the policy of Congress on the subject of the currency; but, on the contrary, have promptly and zealously co-operated in the reforms which have originated here, under the auspices of

the national representation. The promptitude with which a majority of them have already prohibited the issue of bank notes under the denomination of five dollars, as soon as this Government adopted, in its fiscal policy, the principle of discontinuing those small issues, is an encouraging proof of the patriotic co-operation of the States. I may add to this proof the recent example of my own State, whose Legislature, being in session at the time of the passage of the currency bill by both Houses of Congress, during the last winter, immediately responded to the policy announced by that bill, by the enactment of a law prohibiting, after an early period, all bank notes under the denomination of twenty dollars. There is no fear that the States will abandon the General Government in this wise policy of reforming the actual currency of the country, if the General Government do not abandon them. Let Congress persevere in the policy so earnestly inculcated by the late administration, and so warmly embraced by itself at the last session, and that policy cannot fail to be carried on, by the co-operation of the States, to a triumphant and beneficent consummation. Public opinion, in our republican system especially, is the mistress of human affairs, of government and legislation as well as every thing else. Let us, by the example of our measures here, awaken that opinion to the importance of the reforms which are needed in the currency of the country, and if it approve them, as we have every reason to believe it will, it will not be slow in finding, in some branch or other of our system, efficient as well as appropriate organs to work out its decision.

Besides the reform contemplated by this bill, there are others of high importance, in regard to the soundness and uniformity of the general currency, which an adherence to the policy of the late administration, with regard to the employance of State banks in the fiscal operations of the Government, would afford the means of accomplishing. In what did the boasted power of the Bank of the United States to preserve the soundness of the currency consist? Was it not in checking the issues of the State banks, when tending to excess, by periodical and frequent settlements with them, so as to keep them, to use the language of the president of that institution, "in the habitual presence of accountability?" The same practice has long prevailed in Scotland, and constitutes, by general acknowledgment, the distinguishing excellence and chief security of the eminently successful system of banking in that country. All the banks have agents in Edinburgh, who regularly exchange their notes twice a week, and the balances are paid by bills at ten days' date on London. By this means over-issues are effectually prevented, and the currency of that country, though consisting almost entirely of paper, has been preserved in a condition of constant soundness. Nothing would be easier than to incorporate this same regulating principle into a system of deposite banks. It might be made the duty of each of them, as a condition of their employment, to have frequent and regular settlements with all the banks with which they maintained relations of business, and to call, if necessary, for an adjustment of the balances in specie. This would be an efficient check upon over-issues; and, administered by some twenty or thirty deposite banks, in different parts of the Union, would exert a far more powerful and extensive influence over the general currency of the country than the same check in the hands of the Bank of the United States could have done; inasmuch as the aggregate capital and business of these deposite banks would, in all probability, much exceed that of the Bank of the United States. Here, then, is an object of the highest importance, in regard to the preservation of a sound currency for the whole country, which might be easily and certainly accomplished by a perseverance in the policy of the late administration. If to that were added, as there is reason to believe might easily be done, an arrangement among the deposite banks to receive and credit each other's notes as cash, whenever offered in payment of public dues, you would secure to the country the advantages of a convenient circulating medium of equal and diffusive credit throughout the nation, and possessing every attribute of the paper of the late national bank, without its unconstitutionality. By thus accommodating the practical wants of the country in regard to currency, you would put an end forever to the bitter and recurring struggles for a national moneyed institution, and would give that stability and repose to the social and business relations of the community which are so much needed for its prosperity.

But all these high considerations, it seems, are now to be disregarded, and a policy, announced with the most confident promises of success, and prosecuted, for more than three years, with a signal fulfilment of those promises, is to be all at once abandoned for new and untried expedients. And why this sudden change of policy? Because the suspension of specie payments by the banks has occasioned some momentary embarrassments in the operation of the system. It is, therefore, pronounced that the system has been tried and failed; and I heard yesterday, with amazement, the Senator from South Carolina [Mr. CALHOUN] appealing to the friends of the late administration, in the confidence that, of all parties, they would be the most certain to join him in opposition to this system; that they who had been the sponsors, the advocates, the champions of it, who were identified with it in every possible mode of honorable commitment, would be the first to turn round and abandon and disown it! Why, sir, if they are against it, who are for it? That Senator said, if it be folly to adopt an "untried expedient," it is madness to employ one that has been tried and failed. But, sir, that is the question at issue. Has this system of State bank depositories failed? I say it has not, unless the explosion of a steamboat would justify you in pronouncing the great discovery of the age—the application of steam to navigation—an imposture, or the sweeping away of a mill by a freshet would prove that most useful invention for the subsistence of man to be an abortion. The recent suspension of specie payments by the banks is an accidental and extraordinary occurrence, the result, as I shall show, of circumstances peculiar in their character and unprecedented in their combination, and affords no criterion by which the general utility or success of a system is to be judged. If we wish to form a correct judgment of the system of State bank depositories, we must review the whole history of its operations. And here I might appeal to the Senator from Missouri, [Mr. BENTON,] who was the zealous champion of this system at a period when its capacities were put to the severest test, if it did not then give the amplest proofs of its usefulness and efficiency. I refer to the memorable struggle of 1834, when the Bank of the United States, enraged by the loss of the public deposites, and stimulated by the desire of regaining them, waged open and violent war on these State institutions; when some of the State banks themselves, coerced or subsidized by the Bank of the United States, joined in the unnatural and fratricidal conflict; when the eloquence of this body was thundering upon the system, and the artillery of the press at the same time pouring in its unrelenting and destructive fire. Did not these abused institutions then give triumphant evidence alike of their strength and their fidelity, and bear the country and themselves harmless through the conflict? There can be but one answer to the question.

In reference to the stirring and important events of that day, I will say, that no one more heartily approved the conduct of the late Executive, in removing the public deposites from the Bank of the United States, than I did. I believed that the bank had not only failed in the prompt and faithful discharge of its fiscal duties to the Government, but, in one instance particularly, that it had balked and counteracted the execution of a great measure of public policy. It had, moreover, manifested a dangerous spirit of ambition,

by an active interference in the politics of the country. I held, therefore, the conduct of the late President, in the removal of the public deposites from the Bank of the United States, perfectly justifiable; and I viewed it with the more satisfaction, because, believing the institution itself to be unconstitutional, I saw in the measure of the President the most certain means of preventing its recharter. But, while I considered the removal of the public deposites, under the circumstances of the case, lawful, justifiable, and proper, it was evidently a bold measure, and not without hazard of disturbing, for a time, the business and pecuniary interests of the country. It was the firm, judicious, and patriotic conduct of the selected State banks, sustained as they then were by the prudent confidence of the Government, that mitigated, and, in a great degree, obviated the threatened pressure, and ultimately reconciled the public mind to this bold and decisive measure of State policy. I little supposed, while the Government was thus leaning on these State institutions for co-operation and support, that they, too, in their turn, were destined for the sacrifice, and that the only favor they were to expect was the Cyclops' boon to Ulysses—that of "being last devoured."

But, sir, not to dwell, in particular, on the success and services of the deposite banks in that period of trial and danger, let us inquire what have been their *general* conduct and efficiency. Have we not seen the satisfactory manner in which they have discharged their duties as fiscal agents of the Government, year after year made the subject of the warmest eulogies in the annual messages of the President, and the reports of the Secretary of the Treasury, and put in striking and advantageous contrast with the operations of the Bank of the United States? In the very last message of the late President, (in December last,) in bearing his testimony to the promptitude and regularity with which the transfers of the public moneys had been made by the deposite banks, he showed that the amount of these transfers during the preceding year (about forty millions of dollars) was more than double the largest sum which had ever been transferred, during an equal period, by the Bank of the United States; and all this had been effected without the smallest expense or cost to the Government. At the same time he states that an amount of domestic exchanges had been negotiated by the deposite banks for the public, exceeding more than three times the operations of the Bank of the United States, in the same way, during an equal period of time, and generally at rates below those charged by that institution. What more could be expected or desired? And what does the Secretary of the Treasury *now* tell us as to these deposite banks? That their condition, in regard to the great elements of soundness, was never better than at present; that, in a comparative view of their means and liabilities, both immediate and ultimate, the proportion of the former to the latter is considerably increased, and is now much greater than has been customary with the banks of this country, or even with the Bank of England; that, since the suspension of specie payments, they have paid the drafts and accounts of the Treasury upon them, to the amount of between fifteen and twenty millions, in a manner acceptable to the holders; that there remains now but a comparatively small sum due from them to the Government; and that of that sum there is no reason to apprehend the loss of a single dollar.

In the presence of these facts, with what propriety can it be said that the State bank deposite system has failed? If a temporary suspension of specie payments, under most extraordinary circumstances, constitutes a failure of a system, then the national bank system and the hard money system have equally failed. I say the national bank system, because the Pennsylvania Bank of the United States, (which we all know suspended specie payments at the same time with the deposite and other State banks,) we have the authority of its president for saying, possessed all the strength and real advantages under its charter from the State of Pennsylvania, that it did under its charter from the United States. If it had been a national instead of a State institution, it would equally have suspended specie payments, under the extraordinary circumstances of the crisis. And has not the hard money system, if we apply the same test, also failed? Where now is all that boasted abundance of gold and silver, which we were told was to overspread and rejoice the land? Do you see a dollar of it in circulation, performing its true office of effecting payments in the business of the country? No, sir; all, all has disappeared.

If, then, the State bank deposite system has failed, the other systems, proposed by one party or another to be substituted for it, are equally demonstrated to have failed. But, sir, this system has not failed. The banks have been embarrassed and momentarily obstructed in some of their functions, by circumstances which have embarrassed and deranged the whole commercial world. If they have bent for a time beneath a tornado which has swept over the globe, it is only that they may rise again, and resume their erectness and vigor, when the fury of the storm is spent.

But, superadded to these general causes of embarrassment, there have been peculiar and extraordinary causes operating here, (most of them originating in the errors of our public policy,) which have mainly contributed to the recent disaster, and which, being such as will not occur, or may be guarded against in future, prove nothing against the system itself. Some of these anomalous and disturbing causes I will briefly advert to; and, first, to that enormous surplus revenue which we permitted to grow up under our own improvident legislation. Forty millions of public money were thus thrown into the banks, upon which they were not merely authorized, but invited, to found new discounts and accomodations to the public. It was a virtual addition of so much to the capitals of the banks, by act of the Government itself; which naturally led to an increase and dangerous expansion of their business. But, sir, another disturbing cause, not less mischievous in its operation, has been the factitious importation of gold and silver into the country during the last three or four years. It is estimated that the quantity of the precious metals in the country has been increased in that time, under the various provocatives administered in one way or another, nearly another sum of forty millions. This enormous augmentation of the precious metals has been the subject of much inconsiderate exultation; but in truth, sir, it has been one of the most efficient causes of the present derangement in our currency. What became of all this gold and silver as it was brought into the country? It could not enter into circulation, because the channels of circulation were already occupied by the smaller bank notes, which, we have seen, will invariably exclude coins of the same denominations. It went, then, to enlarge the specie basis of the banks; and for every hard dollar they thus acquired they put out, in the usual ratio of their circulation to their specie, three or four paper dollars.

Gentlemen who have patronised this artificial importation of gold and silver, with a view to enlarge the metallic circulation and restore the "constitutional currency," have committed a great mistake. They began *at the wrong end*. They should have first provided for the suppression of small notes, and then the gold and silver, as they came into the country, would at once have entered into circulation. But brought into the country as they were in large quantities, before any opening was made for their circulation by the previous suppression of the small notes, they accumulated in banks, where they furnished the basis of new issues and discounts, and thus formed one of the chief causes of that undue distension of the paper system, which terminated in the recent catastrophe.

I have already alluded, Mr. President, to a measure, the

protracted continuance of which had, in my opinion, no small agency in producing the suspension of specie payments by the banks. I mean the specie circular. It has been common to assume the amount of specie paid into the land offices as the true measure of the operation of that order. But this is a very fallacious and inadequate view of the subject. What is called *land-office* money, or money receivable in payment for the public lands, is the universal standard of the currency in the West. In all private payments and transactions, it is the sort of money that is required. When, therefore, by the specie circular, convertible bank notes, however sound, were no longer receivable in payment for public lands, and gold and silver were made the only *land-office* money, every body wanted gold and silver. This necessarily gave rise to extensive demands upon the banks in that portion of the Union for specie, which they provided for by drawing large supplies from the East. But this was not all. All persons emigrating to the West, whether they intended to buy public lands or not, felt it necessary to provide themselves with *land-office* money—the general and standard currency of the country to which they were going. The ordinary preparation for removal was first to convert all the bank notes held by them into gold and silver. This, I know, has been extensively the case in Virginia, for many of my friends and neighbors have recently migrated to the West, and in every case they have gone to the banks, whose paper they held, to exchange it for specie. The same thing has, doubtless, occurred in every portion of the Union whence emigrations have taken place to the West. I have been informed, particularly, that it was so in the Northern and Eastern States—that great hive which has poured forth so many swarms of useful and enterprising citizens to people and subdue the western forest. Gentlemen, who represent those States here, can correct me, if my information has been erroneous. These multiplied and extensive calls for specie, resulting from the direct and indirect operation of the Treasury order, must have produced a very serious pressure upon the banks throughout the country, but especially in the Atlantic States. It was a sudden and unnatural displacement of the precious metals, which could not fail to give a violent shock to the whole system of bank credit founded upon them. But when the Government announced its final determination to continue this specie circular as the permanent policy of the country, the blow was decisive and fatal. In the permanent and indiscriminate refusal of the notes of all banks in the largest branch of the public revenue, an official discredit was stamped by the Government upon bank paper, which, in the critical state to which it had already been brought by the circular, it could not survive. Public confidence was shaken, distrust and panic were produced, systematic runs upon the banks commenced, under which, whatever their ultimate ability, they were forced to succumb for the time.

I know, sir, that this catastrophe has been sometimes, in particular quarters, attributed to the transfers of public money under the deposite act. But if the specie circular had not been issued, and that act had been executed in the true spirit of the policy which shaped its provisions, no sensible embarrassment could have resulted from it to the banks. The act itself was a measure of wise and necessary policy. It grew out of a state of things which presented these three alternatives: An immense surplus of near forty millions of public revenue was to be continued in the deposite banks, and used by them in ministering to a reckless spirit of speculation, at the hazard of the ultimate loss of the whole fund to the Government, as well as of great injury to the community; or, secondly, it was to be wasted in projects of Government expenditure, which were not merely useless, but highly dangerous and pernicious; or, lastly, it was to be laid by, in ratable proportions with the several States, as temporary and unquestionably safe depositories, with the privilege of using it, till called for by the wants of the nation, in such manner as they should think best for the benefit of their respective communities. I think, sir, there are but few candid and patriotic minds which, looking back to the state of things which then existed, will not at once decide that the last alternative—that which was embraced by the bill—was the one most proper to be adopted. At the same time, its provisions were of the most liberal and considerate character, in regard to the banks from which these moneys were to be drawn. The whole payment was divided into four equal instalments: the first, not to be paid over by the banks till after six months' notice given by the act itself, and the three remaining instalments to be paid at successive periods of three, six, and nine months thereafter. Ample time was thus afforded to the banks to meet these payments; and there is reason to believe that, upon a judicious plan of execution, the greater part, if not the whole, of the necessary transfers might have been made through the trade and commercial exchanges of the country, not only without inconvenience, but with real accommodation to the business of the community. A fundamental principle of the act was the six months' notice given to the banks before the commencement of its execution. But, instead of this, anticipated transfers to the amount of ten or fifteen millions (unless I am erroneously informed) were made, and without any known necessity for them, very soon after the passage of the act. In the execution of the law, also, it is said that large amounts of specie were drawn and transported to and fro, to the great disturbance of commerce, when the same movement of funds might have been effected with ease, through the customary channels of trade, without displacing a dollar. I have heard, for example, of a case in which a bill of exchange had been declined, and a considerable sum drawn and transported, in specie, when, almost as soon as the specie arrived at its destination, the bill of exchange overtook it, and brought it or its equivalent back again to its original point of departure. It is not my purpose, sir, to enter into any detailed examination of the mode in which the deposite act has been executed; but I refer to these circumstances to show that, if inconvenience and embarrassment, to any serious extent, have really attended its operation, there is ground, at least, for the inquiry, whether the fault has been "in the law, or in the administration of the law." I am far from imputing any thing wilfully wrong to the Secretary of the Treasury; but I am well satisfied that the inconveniences which have been felt might have been avoided by a different execution of the law.

If I am not mistaken, Mr. President, in this review of the circumstances which have mainly contributed to the recent suspension of specie payments by the banks here, I have shown that suspension to be the result of causes which are not likely to occur, or may be guarded against in future. Our late experience will, I think, effectually admonish us against another surplus revenue, which has been the chief source of the derangement in our monetary concerns; and, in this respect, I am happy to perceive that the President gives us the assurance of a cordial concurrence of views on his part. Neither shall we, I trust, again do violence to the natural laws of trade by forcing large quantities of gold and silver into the country, in the vain hope of extending their circulation, before any opening is made for them by a suppression of the smaller bank notes, but with the real effect of stimulating and expanding the paper system; and, if we may judge of the opinions of future Congresses by the almost unanimous sense of the last, we shall not again be exposed to the disturbing operations of a specie circular. The suspension of specie payments, taking place under circumstances so peculiar and anomalous, and so unlikely to occur, or so easy to be guarded against in future, proves nothing in my estimation,

against the general expediency of using the State banks as fiscal agents of the Government. But, if it were otherwise, is this the time, I would ask, to withdraw the countenance and support of the Government from them? I would appeal to those political friends with whom I have acted in steady and harmonious opposition to the Bank of the United States, and ask them if they have not seen the attitude assumed by that institution? Do they not recognise her controlling influence in the late meeting of the banks of Philadelphia, in which it was resolved not to join in the measures proposed by the New York banks with a view to an early resumption of specie payments? It is evident she does not desire a return to specie payments; and there is reason to believe, from the large extent of the commercial operations in which she has been engaged, that, however much her strength may be vaunted, she is, least of all the respectable banks in the country, prepared at this time to meet her liabilities. All her power and influence, then, in conjunction with those of the allies she has enlisted, will be exerted to delay the resumption of specie payments by the other banks. How important is it that a design so contrary to the best interests in the country, should be counteracted; and what mode of counteraction is there so effectual as to reinforce the other banks, with the cofidence and support of the Government? I appeal, then, again to my political friends, who deprecate as I do the dangerous dominion of this ambitious institution, if this is the time to weaken other institutions, who must be mainly relied on to balance her power and defeat her schemes.

If ever a party, Mr. President, was honorably committed to the prosecution of a great public policy, it seems to me that the friends of the late Administration are so committed to the policy of employing the agency of State institutions, in the fiscal concerns of the Government, as the true practical substitute for a dangerous national institution. A system of financial administration, founded on that principle, was organized and put in motion by the late Executive; it was attended with emminent success for three years and a half, till momentarily thrown out of gear by the extraordinary convulsions of the times; its satisfactory results were made the theme of repeated and earnest representation to Congress, by both the President and the Secretary of the Treasury; it was the policy under which the whole republican party rallied; it formed, indeed, the defensive rampart from which they fought, as they believed, the battles of constitutional liberty against a powerful and aspiring moneyed monopoly. But we are now called upon, all at once, to abandon that policy; we are appealed to by the Senator from South Carolina, [Mr. CALHOUN,] in the name of State rights, to make war upon State institutions, and summoned, in the name of republicanism, to surrender a republican stronghold! Sir, for every republican authority that can be vouched in favor of the sub-Treasury scheme, a hundred might be adduced in favor of State institutions as the depositories of the public revenue. The Senator from Missouri, [Mr. BENTON,] with a triumphant sense of the weight of that authority, produced to the Senate a few years ago an extract from the opinion of Mr. Jefferson, on the constitutionality of the first national bank, in which that great statesman pointed to the State banks as the practical and efficient substitute for a national institution. We all know that, too, was the ground occupied by Mr. Madison and his republican associates in the debates of Congress on the same occasion. When the question of the recharter of the bank came up in 1810-'11, the same ground was again taken and adhered to by the organs of the republican party in Congress.

But let us see what has been said on this subject by distinguished statesmen of the republican party, to whose opinions actual and large experience in the administration of the public finances gives a peculiar and impressive weight. In a letter addressed to a committee of this body in 1811, by Mr. Gallatin, then Secretary of the Treasury, and who had presided over that Department for a term of ten years, that able financier, after speaking of the many conveniences afforded by the banking system for the collection, safe-keeping, transmission, and disbursement of the public moneys, employs this emphatic language: "State banks may be used, and *must* be used, in case of a non-renewal of the charter [of the Bank of the United States,] by the Treasury." What renders this testimony of Mr. Gallatin the more important is, that Mr. Jefferson, in 1803, (then President of the United States,) addressed a letter to him as Secretary of the Treasury, suggesting for his consideration the question, whether it would not be practicable to organize a distinct machinery, for holding and administering the public funds, through the officers charged with their collection and disbursement. With his attention thus specially called to the subject of an independent fiscal agency, such as is now proposed, and with the advantage of all the lights which could be obtained from a free consultation with Mr. Jefferson, Mr. Gallatin reports to the Senate of the United States, as the mature result of his experience and reflection, that "State banks *may* and *must* be used by the Treasury, in case of a non-renewal of the charter of the Bank of the United States."

Let us now consult another great oracle of American finance on this subject; and, however I differed with him on one of the leading questions of his time, I cannot mention the name of Mr. Dallas on this floor without bearing the humble tribute of my admiration to the superior ability, the fertile resource, the elevated moral courage and fearless patriotism with which he conducted the finances of the nation, at a period of the greatest difficulty and embarrassment they have ever seen. It is well known that Mr. Dallas came into the Treasury Department shortly after the suspension of specie payments by the banks in 1814, and continued, through the whole period of his administration, to struggle with all the formidable impediments occasioned by that state of things. His embarrassments were much increased by the wide diversity that had arisen in the value of the various local currencies, and the consequent refusal of the banks which had been employed as public depositories to receive and credit the notes of each other as cash. In this state of things he was driven to the necessity of considering the very question which is now presented, of discontinuing the banks as depositories, and henceforward committing the custody and safe-keeping of the public moneys to the hands of officers of the Government. The result of his deliberations is given in a very interesting report submitted by him to the President in 1816, at the moment of his retirement from office, in which he rendered a full account of his arduous and responsible stewardship. In that paper, after referring to the embarrassments I have mentioned, he says: "In this state of things, the Treasury was driven to a choice of expedients; that is, either to take the hazard of accumulations of revenue in the hands of individual collectors and receivers, or, to recognise as places of deposite the banks (being, however, banks of unquestionable solidity) established in the districts most affected by the course of exchanges. Many powerful considerations led to an adoption of the latter measure." Thus we see that Mr. Dallas, after full deliberation, "for many powerful considerations," gave a decided preference to State banks as public depositories, even while they had suspended specie payments, over the individual agency that is now proposed, and actually employed as many as ninety-four of those banks in that capacity, cumbersome and inconvenient as so large a number necessarily was.

These, Mr. President, are authorities entitled to no light consideration. It seems, however, we are growing far wiser than the great minds that have gone before us. I am one of those, sir, who believe in the progress of light

and knowledge. But still I cannot but reverence the lessons of wisdom bequeathed to us by our ancestors; and when I see especially the same question presented again and again for consideration, and men of the highest experience, sagacity, and patriotism, giving, under every change of circumstances, their concurrent testimony in favor of the utility and advantages of a particular system of administration, I confess my mind bows, with unreluctant deference, to such a weight of authority.

And now, sir, permit me to say something in regard to the machinery that is proposed to be substituted for the State banks. Does it afford any adequate guaranty for the safety of the public moneys? Can you rely upon it? I say you cannot; all experience proves you cannot. Look at the records of your Treasury Department, and see in how many instances your receivers of public money fail to pay over, as they are required to do, the moneys collected by them. Look at a brief but most pregnant report made on the 23d of February, 1820, to this body, by Mr. Crawford, then Secretary of the Treasury. He states the amount lost to the Government by the infidelity of officers employed in the collection of the public revenue, from 1789 to 1819, at one million and a half of dollars; and the losses sustained by the misapplication of the public money by the officers of Government employed in disbursing it, he adds, "there can be no doubt, *greatly exceed* those which have been incurred in the collection." Here, then, we have an aggregate loss to the Government, from the infidelity of its officers employed in the collection or disbursement of the revenue, during the first thirty years of its existence, greatly exceeding three millions of dollars! This period, it must be remarked, too, was one characterized, during the greater portion of it, by extreme simplicity in the organization of the Government, as well as by a very moderate amount both of revenue and expenditure. It must be borne in mind, also, that the losses sustained were by the infidelity of officers employed merely in the collection or disbursement of the public money, who held possession of it momentarily and *in transitu* only, till they could hand it over to the banks in which it was to be deposited, or pay it to the public creditors whose claims were to be discharged with it. But under the system now proposed, the officers are to be themselves the depositaries of the public money, and to retain continuous possession of it till called for by the actual expenditures of the Government. How infinitely would the hazards of infidelity and misapplication be increased by such a state of things.

With great deference, then, to the honoroble Senator from New York, [Mr. WRIGHT,] this system has not even the merit of being an "untried expedient." It has been tried, though to a limited extent, in the operation of this Government itself, and the bitter fruits of that partial experiment are found in the facts I have just stated. But, sir, it has been *fully* tried in my own state. The treasury of Virginia was formerly organized on that principle of personal custody and control of the public moneys, which is now proposed to be made the basis of a new system of fiscal administration here. Without entering into any painful details, I will only say, that the experiment signally and mournfully failed; and from that period the public moneys have been kept in and disbursed by the banks, under efficient checks against abuse and misapplication by the public officers authorized to draw on the public funds; upon which plan the finances of the State have ever since been conducted with perfect success. When I consider the infirmities of human nature, I am utterly opposed to a system which would subject it to such cruel trials as that now proposed must inevitably do. I hope, sir, my standard of virtue and integrity is not much lower than that of other men; and yet I can conceive, that even an honorable man, having a large sum of public money lying idle in his hands, for which there was no call in the public service, appealed to by a friend in distress, whose destinies, and those of wife and children, might depend upon pecuniary relief at a critical moment, confiding in the solemn assurances of that friend that whatever money was advanced to him should be restored before there could be any occasion for its application to the public use—I say, sir, I can conceive that even an honorable man, thus situated and thus appealed to, might be prevailed upon, by the feelings and sympathies of his heart, to yield from an idle public hoard the means of salvation and relief to a numerous and interesting family, and, his calculations upon the return of the money (thus momentarily diverted) disappointed in the end, find himself at last a defaulter to his public trust. But, sir, the temptations of another character, arising out of the necessities or speculations of the officer himself, having a large amount of idle funds at his disposal, would be constant, habitual, and powerful. To these would be superadded the danger of misapplication to political purposes. It often happens that public officers are zealous and active partisans. Suppose that such a one had in his hands a large amount of idle public money at the moment of a critical election, on which the continuance of his employers in power depended, would he not be strongly tempted to use the funds in his hands to sway the result, and would there not be the more danger of his yielding to the temptation, as he would naturally rely on the indulgence of those for whose benefits he had violated the trust? We are now, Mr. President, to found a system that is to *last*, and which may influence, for good or for evil, the destinies of the country in all future time; and consequences and dangers, however remote or improbable they may appear to some at the present moment, ought to be looked to and weighed. In this view, I cannot but fear that the system proposed will be found both demoralizing and unsafe.

The President, in his message, says that the objection to the proposed system as being unsafe, must proceed on the assumption that "a vault in a bank is stronger than a vault in the Treasury." This observation does not seem to me to be well considered. It overlooks the important distinction, that if the vaults of a bank be despoiled, and the public money be taken therefrom, the loss is not that of the Government, but of the bank; whereas, when the vaults of the Treasury are violated, the loss falls wholly and exclusively on the Government. In the one case, the stockholders of the bank are interposed between the Government and the violated vault, (their whole capital being bound to make good the loss,) whereas, in the other, no shield is interposed, but the Government is left naked to the spoiler.

Another most important objection to this system is the dangerous increase of Executive patronage it would bring with it. If I seem to give way too much to old republican jealousies, I hope gentlemen will pardon me. I imbibed them early from the fathers of the political church, and I cannot now get rid of them. I have always been taught to believe that the great danger to liberty is in the growth of Executive patronage. Every day's observation of the operation of our Government confirms me in the conviction that here is the *peccant* part of our system, and that it cannot be too closely watched by the vigilance of the people and their representatives. The bill upon your table, sir, for organizing a new fiscal agency, is the latent germe of a vast growth of Executive patronage, which will spread and spread till it overshadow the land. If the immense moneyed concerns of this Government, which have heretofore been managed through banking institutions, (extending in number to sometimes near a hundred,) are to be henceforward committed to individual agencies exclusively, an enormous multiplication of those agencies will be inevitable. The bill now offered merely introduces the principle. Let the principle once receive the sanction of law, and it must go on. It will generate a force in itself that will be competent to carry it forward to a fearful development. I was informed, during

my residence in France, that this sub-Treasury system, which prevails in that country, embraced there not less than one hundred thousand officers. Our population is already near one-half that of France; and whether we are not, in time, to have here a swarm of official locusts that will bear a corresponding proportion to those that now darken and devour that fair land, may depend upon the issue of our present deliberations. I repeat, sir, that the bill upon your table is but the grain of mustard seed, the least of all seeds, but when it is grown it will be a large tree, overspreading the land with its boughs, so that the fowls of the air, yea, sir, birds of prey, will come and lodge in the branches thereof.

But, it has been alleged by some that there is as much, if not more, danger of an increase of Executive influence from the employment of banks in the fiscal operations of the Government, as from the new official agencies that are proposed to be organized under the absolute control of the Executive. What, sir, are the banks? Are they not institutions of the States, created by the States, supervised by the States, and dependent on the States? A breath of the States has made, and a breath of the States can unmake them. They are subjected to the constant surveillance of the State Governments; and if any thing improper should occur in their administration, or exist in their connexions, it would be promptly detected, and as promptly and vigorously corrected, by the authority of those Governments—the natural and jealous guardians of the public liberty against Federal influence or encroachment. How powerless a share of the public deposites would be to sway these institutions, is strikingly shown by what occurred in my own State in the very origin of the State bank deposite system. An arrangement had been made between the Treasury and one of the banks to become the depository for Virginia, on certain conditions agreed upon by the parties. When the arrangement was submitted to a general meeting of the stockholders, they refused, by a large majority of voices, to accept the deposites on the conditions proposed, and furnished by their decision a conclusive and practical demonstration of the fallacy of the argument I am now noticing. Gentlemen seem to me to give a free scope, indeed, to their imaginations, when they gravely compare the influence to be exercised over institutions like these, made independent, too, by the very terms of the law, (which does not permit them to be discontinued, when once selected as depositories, except for special reasons to be laid before Congress,) with that which would exist over an army of fiscal officers, subject to the unrestrained orders, and removable at the absolute will, of the President.

One of the most alarming and portentous aspects of this sub-Treasury scheme still remains to be considered. To my view it has a squinting, an "awful squinting," towards a Treasury bank—a bank under the sovereign and exclusive control of Executive agents. It appears from the report of the Secretary of the Treasury that the contemplated fiscal agencies are to furnish "a paper medium" for the community, by "issuing certificates and drafts payable in specie to bearer or order, and made receivable for all public dues." After descanting on the advantages of "this kind of paper," he says: "If the demand for such paper increased, public and private convenience might be promoted, and an equal quantity of specie, at the same time, preserved in the country, by reserving for this purpose, from any accumulation in the Treasury, a sufficient sum, and placing it at a few important and convenient points, to render a greater number of certificates redeemable there with the very coin whose representative they are intended and honestly ought to be." These views of the Secretary are referred to, and impliedly sanctioned, by the President in his message. Now, sir, is not this apparatus, to all intents and purposes, a Government bank? The fundamental idea of a bank is an institution which "issues and circulates a paper credit, founded on a deposite of coin or other property, which paper credit is to answer the purposes of money!" This project fulfils every feature of the definition. The officers of the Government are to issue a paper credit in the form of certificates and drafts, founded on a deposite of specie in the Treasury and sub-Treasuries, which paper credit is to answer the purposes of money, or a general "circulating medium." It is a remarkable coincidence that this scheme is the precise embodying of the outline given by General Hamilton in 1791, of what he describes and avows to be a bank—a Government bank. Such, I believe, is the tendency and virtual operation of the sub-Treasury scheme.

I ask gentlemen, then, if they are willing to organize a great moneyed machine like this, and put it, for all future time, in the hands of the Executive; if they are willing, in the form of a fiscal agency, to create a Treasury bank, with its ramifications penetrating every part of the Union, to be managed, directed, and controlled exclusively by Executive agents? To my mind it presents a fearful conjunction—realizing that union between the moneyed and political power of the country, which reflecting men have hitherto considered the most fatal of all devices to the liberties of the people. I have revolved the subject deeply and anxiously, and I can see but two possible issues to the scheme proposed. It will either terminate in a great Treasury bank, such as I have described, affording a fatal accommodation to the moneyed concerns of the country at the expense of its liberties, or otherwise failing in any degree to relieve the actual derangement of the currency—on the contrary, abandoning that currency to wild disorder and confusion; the people, finding the inconveniences of such a state of things no longer tolerable, will, with a voice extorted by their sufferings, call for a national regulator in the shape of an incorporated national bank! Either alternative is, to my mind, fearful and alarming; but believing one or the other to be the destined result of the scheme proposed, I entreat gentlemen to pause and consider well the consequences of their decision.

I recur now, Mr. President, to the question more particularly involved in the bill I ask leave to introduce. I think I have shown, sir, that the exaction of the public dues in gold and silver, while the great mass of the circulation shall consist of bank paper, would be oppressive in practice; that it is anti-republican in principle, as drawing an invidious line of demarcation between the Government and people; and, especially, that, in the present circumstances of the country, it would indefinitely retard, if not render impossible, that resumption of specie payments by the banks which is the great and urgent object of the public solicitude. In considering the propositions which the occasion has brought forth, I have been strongly reminded of the words of a great man—of one born to serve and instruct mankind. Speaking of the province and duties of a practical statesman, that great oracle of political wisdom says: "A statesman differs from a professor in a university. The latter has only the general view of society; the former (the statesman) has a number of circumstances to combine with those general ideas, and to take into consideration. Circumstances are infinite, and infinitely combined, variable, and transient; and he who does not take them into consideration is not erroneous, but mad, metaphysically mad. A statesman, never losing sight of principles, is to be guided by circumstances; and, judging contrary to the exigencies of the moment, may ruin his country forever." I ask, sir, is this the moment, when the country is weak and suffering, to subject it to the action of so violent a remedy (if remedy it can be called) as that involved in the proposition to collect the revenues in gold and silver? Does it show a wise regard to circumstances, at such a moment, when that credit system, under which the country has grown up to power and greatness, and with which, for the present, at least, its most vital interests are identified—at a moment when that

credit system, thus incorporated with the country, has already sustained one of the severest shocks to which it has ever been exposed—is it wise and prudent, I say, to introduce an innovation in the fiscal policy of the Government, which aims a fatal blow at that system, and all the wide-spread and diversified interests connected with it? The effect of this innovation, at the present moment, must be, as I have already shown, to fix upon the country, for an indefinite period of time, the curse of an irredeemable and depreciating paper currency, or otherwise to force, violently and prematurely, an exclusive metallic circulation, by compelling the banks at once to wind up their concerns. But what would be the consequence of thus compelling the banks precipitately to wind up their affairs? They have vastly more debts due to them than they owe. Compel them, then, to wind up, and you turn them loose, or rather drive them, in necessary self-defence, upon the community. According to the most recent and authentic statements upon the subject, the aggregate amount of debts due to the banks is between four and five hundred millions of dollars. Force them by your policy to collect this vast sum from the community, and what a wide-spread scene of desolation, embracing every class of the community must ensue! The banks will press upon the importing merchant, the importing merchant upon the retail dealer, and the latter upon his customers—the laborer, the mechanic, and the farmer. If the result of this desolating process should not be, in the language of Burke, "the ruin of the country forever," it would be, at least, to inflict upon it, causelessly and heedlessly, a blow, from which recovery could be effected only through long years of suffering and distress.

I stand here, Mr. President, as no advocate of the banking system. I have been the constant enemy of its abuses, the correction of which, by salutary and progressive reforms, I have steadily pursued, without aiming, however, at the destruction of the system itself, which the country has chosen to adopt, and under which it has hitherto attained a prosperity unparalleled in any age or quarter of the world. The measure I now offer to the consideration of the Senate, is, in my humble judgment, one of the most effective reform. I have no interest whatever in banks. I do not own, never have owned, and never expect to own a single share of stock in any bank, nor do I owe a debt, even of the smallest amount, to a bank. I mention these things, not because I could suppose that other gentlemen, who might happen to be differently situated, could, in the slightest degree, be influenced by considerations of this sort. I deem too highly of the patriotism of my fellow-citizens not to believe them above all personal considerations, as I am sure all with whom I have the honor to be associated on this floor are, in pronouncing on great public questions, involving the interests of the country. I know, however, that there are ungenerous minds, which impute other principles of action to public men; and, following the example of the Senator from South Carolina, who spoke yesterday, [Mr. CALHOUN,] I have thought it not improper to state what, from the nature of my pursuits, happens to be my situation in this respect. Those pursuits identify me by interest, as my feelings and tastes do by sympathy, with the great agricultural body of the country. I am under no bias to regard the interest of other pursuits or other classes of the community, except as I believe that, under our happy institutions, all pursuits and all classes are blended in one common interest, and must prosper or decline together. It is in this spirit, looking to the whole country and all its interests, that we shall, I trust, discharge our duties here. The occasion rises far above the narrow and fleeting interests of party, and demands the best exertions of all for the *country*. The measure which I have ventured to offer is one on which I have supposed all parties might unite, as all parties have heretofore united. Its effect, I persuade myself, will be both to revive confidence and to furnish security; and, with the language of encouragement and the pledges of a wise and stable policy, proceeding from the national councils here, we shall soon see our youthful and vigorous country rising from her momentary prostration, and, Antæus-like, gathering strength from her fall.

When Mr. RIVES concluded, he introduced his bill; which was read, and ordered to a second reading.

On motion, the Senate went into the consideration of Executive business; and after some time spent thereon, the doors were re opened, and

The Senate adjourned.

WEDNESDAY, SEPTEMBER 20.

THE GREAT FIRE IN NEW YORK.

Mr. WRIGHT, from the Committee on Finance, reported a bill for the relief of the sufferers by the great conflagration of 1835 in the city of New York; which received its first reading, and was ordered to a second reading to-morrow.

[This bill provides for allowing a remission of all duties already paid or remaining due, on all unbroken and entire packages of goods and merchandise consumed in the fire of New York; and it provides for a proportionate remission on packages which had been opened before the fire. Commissioners are to be appointed, consisting of the collectors and other officers in New York city, whose duty it will be to ascertain the amount of duties paid on packages destroyed by the fire, the names and residences of the sufferers, the amount of goods destroyed, &c. They are to meet in New York, and take testimony on oath respecting these particulars. No claim to be entertained which shall not be presented to the commissioners within four months of the opening of their commissions. The commissioners, on the completion of their investigation, shall make out their statement and send it to the Secretary of the Treasury, whose duty it shall be from time to time to receive and examine the statements of claims presented and admitted by the commissioners, and which shall be subjected to his approval or disapproval. When the Secretary of the Treasury shall have made known his determination upon the claims presented, then the commissioners shall make out certificates of remission according to the amount remitted to the several merchants and claimants, and these certificates, signed by the commissioners, shall be received by the collectors and others as money in payment of duties, &c. to the full amount of the sums remitted. It is provided, however, that every individual receiving such certificates to pass in payment of bonds and dues, &c., shall give security in bond and penalty to pay double the amount of money remitted, with inrerest, if it should ever appear that the goods on which the remission is made were not in truth destroyed by fire. The commissioners are authorized to employ a clerk, whose salary, not exceeding $2,000, shall be determined by the Secretary of the Treasury.]

The resolution offered by Mr. WALKER, for the establishment of a port of entry at Vicksburg, Mississippi, being taken up for consideration—

Mr. HUBBARD moved that the resolution be laid on the table.

Mr. WALKER expressed a wish that it might be acted upon immediately, for the following reasons: The president of the Vicksburg Railroad Company had chartered a vessel to bring on iron for a railroad in the interior of the country to Vicksburg; the ship was chartered under the impression that Vicksburg would be made a port of entry; and if this were not done, and the vessel suffered to land its cargo at Vicksburg, a great increase of expense would be thrown upon the railroad, and the promotion of an important work of internal improvement be so far impeded.

Mr. HUBBARD confessed he did not feel satisfied by

the reasons given. It was certain the other House would adhere to its rule, not to enter upon business beyond the subjects of the message, and, therefore, all action by the Senate on such matters would be a loss of time.

The resolution was then laid on the table.

SUB-TREASURY BILL.

The bill imposing additional duties on public officers, as depositaries for receiving the public money, was then taken up in Committee of the Whole.

Mr. CALHOUN rose, and moved the amendment of which he had given notice on Monday he should offer to this bill; which having been stated to the Senate, it was, at the instance of Mr. WRIGHT, with the consent of Mr. CALHOUN, modified to read as follows, the passages enclosed in [] being those added by Mr. W.

"Sec. — *And be it further enacted*, That from and after the first day of January, eighteen hundred and thirty-eight, three-fourths of the amount due to the Government for duties, taxes, sales of public lands, or other debts, may be received in the notes of specie-paying banks; and that from and after the first day of January, eighteen hundred and thirty-nine, one-half may be so received; and from and after the first day of January, eighteen hundred and forty, one-fourth; and from and after the first day of January, eighteen hundred and forty-one, all sums due for duties, sales of public lands, or other debts to the Government, [and all payments to the General Post Office Department, shall be paid in gold and silver coin only,] or in such notes, bills, or papers issued under the authority of the United States, as may be directed to be received by law; [and from and after the first day of January, eighteen hundred and forty-one, all officers or agents engaged in the making disbursements for the United States or General Post Office Department, shall make all their payments in gold and silver only, or in such notes or papers as shall be authorized by law; and any revenue or disbursing officer neglecting so to do, shall be dismissed from his office, and forfeit all compensation which shall then be due."]

Mr. NILES then rose and said: That he thought the question should not then be taken on the amendment of the honorable Senator from South Carolina, [Mr. CALHOUN,] as it contained an important feature in the system of finance which it is the object of the bill to establish, and the whole subject could be more conveniently debated together. He believed there were several gentlemen who intended to address the Senate, and as he proposed to submit his views on the subject, if no other gentleman was prepared, he would go on at that time.

He considered the subject, viewed in all its bearings, in a constitutional, financial, and political aspect, as one of great importance, not inferior, perhaps, to any which, for many years at least, has occupied the attention of Congress. It was one to which he had given some attention, and on which he had reflected much; yet he should not probably have troubled the Senate with any remarks, had it not been for the observation of his distinguished friend from Virginia [Mr. RIVES] in his speech yesterday. That Senator, in support of the bill which he had introduced for designating the public funds, which was similar in its provisions to the bill that passed both Houses of Congress last session, and which he (Mr. N.) and other friends of the administration then supported, made an eloquent appeal to himself and others to come out at this time in support of his present bill, or show good reasons why they could not do so.

Mr. N. said he would respond to the call; he could not support the gentleman's bill, but he would endeavor to give his reasons why he could not. He last session gave his hearty support to the bill referred to, which passed with great unanimity. He did so because he considered that bill as containing no new principle, and only carrying out what was then the established policy of the Government; it left the funds receivable for the revenue as they were placed by the joint resolution of 1816, but contained some provisions intended to operate as inducements upon the State banks to discontinue the issue of notes of the lower denominations. It was true the bill superseded the Treasury circular; and he (Mr. N.) was then disposed to do that, for the same reasons stated by the gentleman from Virginia; he also regarded that as a temporary measure, intended for a particular emergency, to arrest a special mischief. But he could not agree with the Senator in the opinion that the failure of that act, and the continuance of the Treasury order, was one of the causes which had contributed to the pecuniary distress of the country. He had, at the last session, supposed that the exigency which had called forth the order had passed off, but had since become satisfied that he was mistaken. Such had been the condition of the finances of the Government, and the monetary affairs of the country, that he was fully persuaded the order had exerted a most salutary influence, alike favorable to the Government and to the country.

It has secured the revenue received from the public lands, and reinforced the Western banks with specie, which has enabled them to sustain themselves, until the general storm came upon them, as it swept over the whole country. But had it not been for he operation of the order, the Western banks would not merely have suspended payment, but would have exploded months before they, in common with others, suspended payments. Another good effect of the continuance of the order was, that it had drawn specie from the banks all over the country, and thrown it into circulation among the people in the Western States, where he understood more specie was to be found in circulation than in any other section of the Union. And the specie which had been received for the public lands had been an important resource to the Government in its present emergency.

Mr. N. said he gave his support to the currency bill because he did not then think the time had come to change the policy of the Government in respect to the funds in which the revenue was collected. Among the reasons why he could not then go with his distinguished friend from Missouri, [Mr. BENTON,] who so strenuously opposed the currency bill, was the important fact, that the entire financial concerns of the Government were then conducted through the agency of about ninety banks. It was, in his opinion, in vain to think to change our currency as long as we employed the agency of banks; as all public moneys deposited in them were immediately changed to bank credits. He then believed that, as a preliminary step to the collection of the revenue in specie, we must dispense with the agency of banks.

Sir, the late administration adopted a certain policy in regard to the finances of the Government, and he (Mr. N.) saw no occasion to change that policy at the last session of Congress; and the question on which he and the Senator from Virginia differ, is, whether the great changes which have since taken place, in the prostration not only of the deposite banks, but of the entire banking system of the country, the serious embarrassments to the finances, and the general derangement of the monetary affairs of the nation, require a change in that policy? Has the deposite bank scheme failed? The Senator from Virginia thinks not; he regards the present derangement as the result of temporary causes, some of which originated in the measures of the Government; he thinks that, notwithstanding a gust of wind may have capsized the deposite banks, they can be righted, refitted, and again put in service. But he (Mr. N.) thought the banks had failed in their duties both to the Government and to the public. They had proved themselves to be either weak or faithless agents, and perhaps both. They had suspended payment; they had been guilty of a voluntary act of bankruptcy, in a time of pro-

found peace, and immediately following a period of unusual prosperity, (or what was so regarded,) and when they had in their vaults nearly thirty millions of the public funds. This suspension was entirely different from that of 1814, when the Government itself had been the principal cause of the vast and dangerous issues of the banks, by which they were broken down.

Whether the general and simultaneous failure of the banks was voluntary and fraudulent, as supposed by some, or a measure of necessity, arising from the over-action and imprudent management of those institutions, was not very material; in either case they must be regarded as unsafe depositories of the public revenues. They might answer in ordinary times, when we had a clear sky and smooth sea; when the commerce and finances of the country were stable and regular; but they could not be depended upon in times of difficulty. And in the present instance they had failed and violated their engagements to the Government and to the public without any apparent cause, other than their own mismanagement. He would not charge the banks of having voluntarily been faithless agents; but he would say that they had violated their high and solemn obligations to the Government and to the public, without any reasonable efforts—he might almost say without any effort at all—to save their own credit and that of the commercial community. When the crisis came, mainly brought on by their own imprudent action, how did they meet it? Did they breast the storm with the hearts and nerves which the occasion called for? Did they make any reasonable efforts to weather it and save the country from the calamities which have overwhelmed it? Far, very far from this. If we look to the point where the extended line of banks first gave way—the city of New York—we shall discover the strongest evidence of cowardice or treachery. What stand did the banks make? How long did they sustain themselves against a run? The bank of England, in 1825, sustained itself against a run for an entire year, and when a general panic prevailed. Why, sir, a frail concern having first given way, and been *docked*, some of the people, as was natural, became alarmed; but there was no general panic; a crowd gathered round the banks; they were not depositors, or persons who had means to acquire any considerable demands against banks; most of them probably were "boot-blacks," "chimney-sweeps," and "wash-women." with a single bill each of the lower denomination; or perhaps they were of that class of citizens who are becoming very notorious of late—the *loco focos;* the officers of the banks look out at their windows and see this formidable array of persons, all armed with their "promises to pay," about to make an assault upon the banks. What is to be done? Can we make a stand? Can we defend ourselves against this formidable enemy? They did not, however, hesitate long, but, concluding that "discretion was the better part of valor," they determined to shut their doors, and keep their creditors out. This was certainly a convenient mode of paying debts. At other places the shutting up of the banks was equally sudden; and, what is not a little remarkable, and calculated to excite a suspicion that something was wrong, is the fact that the suspension at New Orleans, Mobile, and other places occurred a few days after that at New York, but before there could have been any communication. These facts are at least calculated to excite a suspicion that there was a previous understanding among the principal banks in the different cities that they were to suspend payment about the time the explosion took place.

But, however this may be, he would ask whether any one can believe that the banks made any reasonable efforts to sustain their own credit and that of the country? Can the deposite banks, some of which possessed millions of the public money, which closed their doors and stopped payment under such circumstances, be regarded as faithful fiscal agents? Was it not the duty of these corporations to have attempted to sustain their credit, and to have paid out one-quarter or one-half of their specie before they shut their doors in the face of their creditors? If they had met the shock resolutely, and with a willingness to incur a sacrifice, who can say that they might not have gone safely through the crisis?

Mr. N. said he had lately seen a report of the governor of the Bank of France, for the year past. The money pressure has visited that country; not in the same severity that it has prevailed in England and the United States. There the bank prepared itself to meet the shock; instead of contracting, it enlarged its discounts, extended the time of its credits, and, in addition to its own notes, put into circulation more than one hundred millions of francs in specie. To enable it to do this, and arrest a money crisis, it purchased, at a heavy sacrifice, nearly twenty millions of francs of coin and bullion. But what sacrifices did the banks make here to sustain their own credit, or that of the commercial community, and of the Government? In the face of these notorious facts, how can it be denied that the deposite banks have proved faithless and unsafe depositories of the public funds? They have stopped payment in a time of peace, and without an effort to sustain themselves. Can we trust them again under such circumstances? This failure of the deposite banks, and palpable breach of trust, has occasioned serious embarrassments to the Government as well as to the country, and it is the sole cause why we are now assembled here.

Sir, connected with the employment of the State banks as agents of the Treasury, was a purpose of controlling their operations to some extent, and thus improving the paper currency. He believed that this formed no part of the original object of the late President; but it was afterwards engrafted in the system, and regarded by many as an essential part of it. This feature in the deposite bank scheme is what seems so highly to recommend it to the Senator from Virginia. The bill he has now introduced contains provisions intended as inducements to the State banks not to issue notes of the lower denominations. So far as the regulation of the State banks, and a restriction upon their issues, formed a part of the system, what success had attended it? He was sorry to say none, or very little. The hopes which were once entertained in this respect, were now blown to the winds. The Senator from Virginia still thinks that it is the duty of this Government to attempt to control and improve the paper currency of the country by means of its revenues, and that this can be accomplished by employing the State banks as fiscal agents. The gentleman certainly has strong faith—the faith of the grain of mustard-seed, to which he so happily alluded in his speech.

Sir, the evils of our banking and paper money system are too deeply rooted and too broadly extended to be corrected or mitigated by any such palliatives. If the inducements, or considerations of interest, held out to the deposite banks, will induce them to give up their small notes, and conduct their business with some little regard to the public interest, how are those banks to influence or control other State banks? Talk about reforming the State banks through the agency of your financial measures! Why, since this attempt commenced, the increase of banking capital and paper issues has greatly exceeded any former period. The tide of paper money has been rising and swelling until its bitter waters have spread over the whole land, leaving behind everywhere the evidences of their corrupting and deleterious influences.

In many of the States the banking capital had been increased one hundred per cent. since 1830, and in others three or four hundred per cent.; and their issues had increased in proportion. It is true that the issue of small bills has been prohibited in several of the States, not in con-

sequence of our fiscal measures, but as the result of the impetus which may here have been given to public sentiment.

But (Mr. N. said) the more he reflected on this feature in the deposite-bank scheme the more he was dissatisfied with it. What is it but an attempt on the part of this Government, indirectly, and through the form of contracts, to supervise and control the local institutions of the States? The object he admitted to be good, although he thought it impracticable. But he spoke of the principle, which he believed to be unsound and dangerous. The banking corporations are a part of the local institutions of the States as much as colleges and courts of justice. Can the Federal Government rightfully interfere to impose restrictions and regulate the action of State institutions? That Congress, or the Executive, can do this directly, no one will contend; and can we effect by indirect means, what we have confessedly no power to accomplish by direct legislation? Can we use the funds of this Government to buy up State institutions, for the purpose of moulding them according to our will? As a friend of the rights of the States, he must say he felt alarmed at such doctrines. The deposite-bank system was resorted to in 1833, in a great emergency, when the United States Bank was attempting to crush the State institutions, and, at that time, was a wise, if not an indispensable measure; but the object of superintending and reforming the State banks was then no part of the system. It is now abandoned, and he rejoiced at it, considering it impracticable, and resting on very questionable principles.

Whether, therefore, we look to the direct object of the deposite-bank system, the safe-keeping and disbursement of the revenue, or the incidental advantage of improving the currency, it was (Mr. N. thought) not to be disputed that the measure had failed. The connexion between the Treasury and the State banks is at an end; it has been dissolved by the banks themselves; and the only question now is whether it shall be renewed. He, for one, thought not.

The deposite-bank scheme being, as he considered, out of the question, there were but two plans remaining for the management of the finances. The first of these is a national bank. He did not know that this exciting question would be agitated at this time; there were some memorials, but no distinct proposition before us in relation to it; and, although a national bank seemed to fall within the scope of the present debate, he was not disposed to go into any general discussion of that question. Of the constitutional and political considerations which belonged to it, he would say nothing; but he would make a few suggestions on one or two financial points. The re-establishment of a national bank is now asked for on new and distinct grounds. It is not as a fiscal agent of the Government; it is not so much for its capacity in facilitating commercial transactions, that Congress is now appealed to to establish another bank of the United States; but it is asked for as a general regulator of the currency of the country—to regulate, superintend, and control the operations of the State banks. It is on this ground mainly, if not exclusively, that the mercantile community desire the re-establishment of a national bank.

The Board of Trade of the city of New York, in the circular which they have sent all over the country, to set the friends of a United States Bank in motion, say: "Here are several hundred banks, with an indefinite power to issue paper money, and twenty-seven Legislatures, possessing indefinite power to create banks at their own will. The banks cannot control each other, nor can the State Legislatures control them; so that there is no efficient check on the exercise of this immense power, upon which every man's property depends for its value, and every man's labor for its reward. That their instrumentality has been useful, if not indispensably necessary, is willingly admitted; but, to their safe administration, it was early deemed essential that the Government, charged with the care of the circulating medium, should, by means of its revenue, superintend, and, to a certain degree, control their movements."

The Board of Trade of our great commercial emporium may be regarded as speaking the sentiments of the commercial class generally in the country; and we see in the public papers, and everywhere, the almost universal sentiment among the advocates of a national bank, that it is the only regulator of the currency of the country; and it is to the failure to renew the charter of the late Bank of the United States that they attribute the rapid increase of banking institutions in the States the last few years. It would be difficult to use language more condemnatory to the whole banking system than that contained in the circular of the Board of Trade. What are we to think of a system which contains within itself no sustaining or regulating principle? Such an institution must have within itself the seeds of destruction. What are we to think of banks which cannot control themselves, which cannot control one another, and which cannot be controlled by the very power that created them?

But this unmanageable machinery of State banks, which possesses within itself the very principles of disorder, is to be controlled and regulated by a national bank, so as to render it highly useful. That a large and very respectable portion of the community honestly entertained this opinion can hardly be disputed. But it appeared to him without any foundation in theory, and not only unsupported, but directly opposed to all experience, both in this country and England. How are one set of banks, (for a national bank with numerous branches is, for most purposes, only so many independent institutions,) constructed on the same principles, and moved by the same impulses and motives, to control and regulate another set of banks every way similar? If we examine the position and the reasons *a priori*, it appears to have no support; and if we view it in the lights of experience, it seemed to him strange that such an opinion should ever have prevailed to the extent it has.

The strong reason now urged for a national bank, was, in his opinion, one of the greatest objections to such an institution. That a national bank has exerted, and necessarily must exert, great power over many of the smaller institutions of the States, was a point not to be controverted. But the question is, whether this influence tends to give stability to the paper currency, or increase its fluctuations? What are the evils of our paper currency, and indeed of all paper currencies? Its tendency to excess, and its ruinous fluctuations, or periodical and almost constant expansions and contractions. Is it not apparent that the concentrated power of a great institution, operating upon this floating mass, must agitate and keep it in constant commotion? And do we not know, in point of fact, that all the great and distressing revulsions in this country since 1816, were preceded by large expansions by the United States Bank? Was not this the case in 1817, and the first half of 1818? From July, 1817, to February, 1818, the discounts of the bank were increased about twenty millions of dollars, or nearly one hundred per cent. This preceded, and in no small degree contributed, to the severe embarrassments and distress which followed, and which lasted nearly three years. The pressure for money in 1826 was preceded by the increased discounts of the bank during the year 1825, which favored the speculations in cotton, and led to an excess of imports over the preceding years of twenty-five or thirty per cent. The bank, having increased its discounts in 1831, curtailed and brought on a pressure in 1832, and occasioned an excess of importations in 1831 of more than forty per cent. over the ten preceding years, with the exception of 1825. The contraction of about twenty millions, after the removal of the deposites in 1833, it is well known, brought on the severe pressure and panic of 1834.

Yet, with these facts staring us in the face, it is seriously contended that a national bank is the only regulator of

the currency, and the only thing calculated to restrain and check the action of the local institutions. He considered a national bank dangerous and pernicious under any circumstances; but he should feel much less objection to it if its notes formed the only paper currency. In that case, we should only be exposed to its own contractions and expansions; but with our present system of State banks, there is superadded to its own fluctuations the ebb and flood tides of that immense floating mass of paper supplied by the local institutions.

There was one other point of view in which he would consider a bank of the United States. The re-establishment of such an institution is regarded by many as the most effectual mode of immediate relief to the country, by compelling the State banks to resume specie payments. He concurred with the gentleman from South Carolina, [Mr. CALHOUN,] that no measure could operate more injuriously and harshly on present difficulties than this. In 1816, in a state of things somewhat similar, the honorable Senator from Massachusetts, [Mr. WEBSTER,] then in the other branch of Congress, declared that a bank was not the proper remedy. He said, "in my opinion, any remedy to be applied to this evil must be applied to the depreciated mass of paper itself. It must be some measure which would give life to this mortified mass of the body politic. This evil was not to be remedied by introducing a new paper circulation. The establishment of a national bank was not, in his opinion, the proper remedy." He said "the whole strength of the Government ought to be put forth to compel the payment of the duties and taxes in the lawful currency of the country. Gold and silver was the law of the land at home, and the law of the world abroad. The only legitimate power of Congress was to interdict the paper of such banks as do not pay specie from being received at the custom-house."

Mr. N. said these sentiments were sound, and he fully concurred in them; if true and applicable to the crisis in 1816, they were equally so now. And how did the remedy adopted (a national bank) restore to life the "mortified mass" of paper money? Why, in the same manner that a surgeon saves the life of a patient by extensive amputations; an arm, a leg, leaving nothing but the dismembered trunk. If, in that case, the patient survived, his sufferings were great, and for nearly three years he languished in a low and feeble state. The contraction of currency was the most rapid and extensive, and attended by consequences the most afflicting and calamitous of which there are, perhaps, any examples in modern times.

Of the one hundred and ten millions of paper money which was in circulation in 1816, all was annihilated but forty-five millions, according to the authority of Mr. Crawford. But even this destruction of more than sixty per cent. of the depreciated mass of paper did not give soundness to what remained, until the lapse of nearly four years. In a report made in 1820, Mr. Crawford says "that in many of the States, the great mass of the currency is not even ostensibly convertible," and that, in a "great part of the Union, the convertibility of paper was rather nominal than real." Of the deep and extensive distress which this process of restoring the currency occasioned, he says, "all intelligent writers upon currency agree, that when it is decreasing in amount, poverty and misery must prevail. The correctness of the opinion is too manifest to require proof. The united voice of the nation attests its accuracy. As there is no recorded example in the history of nations, of a reduction of the currency so rapid and so extensive, so but few examples have occurred of distress so general and so severe as that which had been exhibited in the United States. To the evils of a decreasing currency are superadded those of a deficient currency. But notwithstanding it is deficient, it is still depreciated. As the currency, at least in some parts of the Union, is depreciated, it must, in those parts, suffer a further reduction before it becomes sound. The nation must continue to suffer until this is effected."

Such was the picture of distress exhibited at the end of four years after the establishment of a United States Bank, which is regarded by some as a universal panacea, or sovereign remedy, for all disorders in commercial and monetary affairs. Like a patient slowly recovering from a fever, the whole country languished for three years; its resources exhausted; its industry paralyzed; and its whole energies inactive and dormant. The ruin to private fortunes, and the destruction of property was immense; almost every description of property fell fifty per cent., and some much more. Every kind of business, except that which is the basis and support of all others, was entirely prostrated; and even agriculture was so depressed, that the prices of the products of the soil fell fifty, and many seventy-five per cent. These were some of the early fruits of a national bank, as a remedy for a disordered currency and a deranged state of the commercial interests of the country. In the history of England we have many similar examples of the kind of balm which a national bank pours into the wounds of a bleeding and suffering people—in 1793, 1797, 1814, and 1825. At the latter period of revulsion, nearly forty millions of dollars of currency of the private banks was annihilated, and a scene of distress and ruin presented truly appalling.

Sir, said Mr. N., I have said all I propose to say in regard to two financial schemes, and it now remains for me to take some notice of the third, which the bill before us is intended to introduce. This last is characterized as a novel and untried experiment, although much older than either of the others. It is the system on which the ancient and most modern nations have conducted their finances; it is, at any rate, as ancient as 1789, as old as the constitution which we have all sworn to support and to regard as the rule and guide of our actions.

This plan consists of the employment of Federal officers to execute that portion of the Executive power which pertains to the keeping and disbursement of the revenue. This seems to be the natural course, and is, at least, recommended by its simplicity and conformity to the true spirit of the constitution. Can any one believe, on perusing that instrument, that its framers contemplated the agency of banks, either State or Federal, in the keeping and disbursement of the revenue? Has not the employment of banks from the first been a manifest departure from the plain and obvious course indicated by the constitution, and may not this departure be justly regarded as the source of all our financial embarrassments and difficulties?

But is the proposed system practicable? This is, perhaps, the most important question connected with the whole subject. Is there any thing in the constitution, or in the nature of the fiscal duties of the Government, that renders the agency of banks appropriate and necessary? If that part of the Executive power which relates to the finances cannot be executed except by bank agency, then a system of banks becomes an essential part of the Government itself, and enters into its very elements. It becomes a bank Government, and cannot exist independent of banks in some form. And if it is not maintained that banks are absolutely necessary as fiscal agents, to insist that their agency is the most suitable and appropriate means of executing a portion of the Executive power, would seem to lead to the same conclusion, the same connexion between the Government and banks. But those who profess to be opposed to a Bank of the United States, will do well to pause before they come to either of the above conclusions; for if the operations of the Government cannot be carried on without the agency of banks, or if banks are the most suitable and appropriate means for executing the powers relating to the revenue, does it not follow that we must

have a Federal bank? Is it not apparent that to admit that bank agency is necessary in the management of the finances, is the strongest possible argument in support of a national bank? Sir, the two questions are identical; they are but one; for to say that a bank is necessary as a fiscal agent, is to say that we must have a national bank. This, sir, is a complete independent system of Government; it possesses within itself all the necessary functions of a Government. It is in no particular dependent on the States, so far as its own action is concerned; and least of all can it be in so important a function as that of its finances. If it has not within itself the power to manage its finances, then it is no Government; it is dependent on the States almost to the same extent as the old confederation, which had no power over a revenue but by requisitions upon the States. Has this Government any control over the State banks? Has it any right to command their services? And, in times of party excitement, might not many of the States prohibit their banks from acting as agents of the Government? What security can there be in a reliance on State institutions? Who control the banks and what is their spirit? Do they not present the embodied elements of aristocracy, and have they not usually been opposed to the Government, when administered by agents possessing the confidence of the great body of the people? Sir, there is no avoiding the conclusion, that, if bank agency is necessary, we must have a Federal bank, which we can control ourselves, or, at least, have a legal right to control. But no such agency is necessary. The proposed system is not only practicable, but natural and simple, and, Mr. N. did not hesitate to say, would be found, on trial, to be as convenient as the State bank machinery.

If authority is of any avail, Mr. N. said, he would refer to that of Mr. Gallatin, whose great experience and learning, as a financier, no one would dispute. He says: "It must be acknowledged, that inasmuch as the revenue may be collected, and the public money may be kept in the public chests, and transferred to distant places without the assistance of banks; as all this has once been done in the United States, and continues to be done in several countries without any public bank, it cannot be asserted that those institutions are absolutely necessary for those purposes, if we take the word *necessary* in that strict sense which has been alluded to." He thinks, however, it would be more inconvenient and expensive.

What, then, are the objections to it? Several have been urged, which he would briefly notice. It is said that it will increase the expense, and that the public funds will be unsafe. The question of expense was too unimportant, in his estimation, to be deserving of any serious consideration; if the expense should be double, triple, or quadruple what it has been estimated at, it would be a matter of no moment with him. As to the security of the public funds, he thought they would at least be as safe as in the banks. Can we not put as much confidence in our own officers, appointed by, and accountable to, this Government, subject to the regulations, and pains, and penalties, which may by law be prescribed, as we can in the officers of mere corporations, over whom we have no control, and who are no way accountable to us for their conduct. We have no remedy, either civil or criminal, against any officer of a State bank for embezzling our funds; our only remedy is against the corporation, and that by suit, like any other creditor. But the power of supervision and removal, which will be applicable to the officers of our own, and a frequent examination of the state of their funds and accounts, as provided for in this bill, is a source of great security. But it is said if we entrust our funds in banks, we have the capital of the institution as a reliance to make good any defalcation. But if our moneys were embezzled or wasted by the officers of a bank, the same fraudulent conduct would waste the capital also. How many banks in the Union have experienced such a catastrophe? There is one circumstance greatly in favor of the proposed scheme, as regards security. The Federal officers are to be the mere keepers of the public money; they are not to use it; whereas, the banks are expressly authorized to use your funds, and do use them, as a part of their capital; and, of course, they are subjected to all the hazards and contingencies attending the banking business. There is another important point of difference: there are general causes which operate upon all banks at the same time, and which may prostrate the whole at once, to the most serious embarrassment of the Government. This is precisely our present condition. But there are no such causes which can operate on Federal officers; an individual may prove faithless or fraudulent, but that cannot seriously affect the public interest.

It is further objected, that the proposed plan will withdraw the public funds from use. This is true. But who have a right to use the public moneys for their own benefit? Their use, heretofore, has been almost exclusively confined to one class—the merchants—who have had a monopoly of the privilege, if it is one; the privilege is also confined to the places where the revenue is collected. Is this just? The only sound principle is, that the public funds, which belong to the whole people, shall not be used by any one, but kept sacred until wanted to pay the public creditors, and the expenses of the Government.

Is it not the fact that the merchants have been doing business on the funds of the Government, that has occasioned most of the clamor and excitement which has existed in the commercial community in regard to almost every financial measure which the condition of the country or its revenue have required? Is it not time this cause of disturbances was removed? But, sir, we are gravely told by the honorable Senator from Virginia, that the bill, with the amendment, which provides prospectively for collecting and disbursing the revenue in specie, will introduce two kinds of currencies—one for the Government, its officers, contractors, and so forth, and one for the people. He was sorry to see such an objection, which he would not say was taken from the newspapers of the day, put forth from such a quarter. Why, the Senator himself seems to be sensible that it will be regarded as an *ad captandum* argument; yet, in the same breath, he informs us that he discovers in it the germes of an aristocracy. The officers of the Government were to have a "better currency," but rags were good enough for the people. But this currency of the privileged order is no "better" than the public officers are entitled to by law; it is no "better" than we have agreed to pay them; no "better" than justice entitles them to. To pay the public creditors in any thing but the lawful currency, or what is equivalent thereto, is to defraud them; and this was the first time he had heard it urged, that democracy consisted in cheating the public creditors. This argument was hardly deserving of a serious refutation; it was better adapted to the newspapers of the day than to the Senate. The simple fact is, there never has been, and never can be, but one currency, so far as this Government is concerned, which is the lawful currency of the United States, or what, for the time, is deemed equivalent thereto. How would the Senator remedy the supposed evil? Would he require the revenues to be collected and paid in the paper issues of broken banks? And of which banks? How will he distinguish between those which have only suspended payment, and those which are really insolvent? But bank notes are not the only paper currency which the people use; there are small notes, bills, and shinplasters, issued by all sorts of corporations, and even by boot-blacks and chimney-sweeps. Would the gentleman have the Government receive and pay out these shinplasters, so as to bring about equality between the people and the Government? This Gov-

ernment has no control over these spurious paper issues, whether from corporations or individuals; it did not authorize them, and it cannot suppress them. If the people suffer themselves to be defrauded, is that a reason why the Government should be defrauded also? Or is it a reason why the Government should encourage these frauds upon others, and upon the whole community.

But the Senator further informs us that the proposed plan, which he insists should be called a sub-Treasury scheme, will open the flood-gates to Executive influence; and this seems to be his strong position. If this were true in point of fact, it would be an objection possessing great force. But to sustain it, the gentleman draws largely upon his imagination. He looks beyond the present bill, which, he says, is only the germe of the system, which, when fully developed, will produce fifty thousand officers, like the establishment of the Receivers General in France. As this objection rested mainly on extraordinary flights of imagination, and as he (Mr. N.) had no capacity for such flights, he could not, perhaps, perceive its truth. He was willing to admit that it might hereafter be found necessary to enlarge somewhat on the plan as now proposed, and, at three or four points, to add some few additional officers, to be specially charged with the keeping and disbursement of the public moneys. New York, Philadelphia, Boston, and New Orleans, he thought were the only places where any such additional officers could be required; but as the mint and branch mints are to be places of deposite, it was quite uncertain whether any receivers or new Treasury officers would be required. But as to the army of fifty thousand, they will never have any existence, except in the warm and fertile imagination of the Senator, who has so strong *faith* in his own foreboding, that, even now, he can see in a grain of mustard seed (the smallest of all seeds) springing into life, a large plant, spreading broad its branches, whilst the birds of prey are seen lighting upon them, ready to devour the substance of the people. But when we descend from these airy flights, and look at this subject as it is, we shall find that this army of fifty thousand officers dwindles down to a few clerks; for, as the bill now stands, it does not provide for the appointment of any other officers. And should it be found necessary to enlarge the system, as he had supposed it possibly might hereafter, the increase of patronage to the Executive can amount to no more than the appointment of some fifteen or twenty additional officers. These officers can have no extraordinary influence from having the keeping of the public funds, as they will not be permitted to use them in any way or manner whatever. He was aware that it was elsewhere, if not here, charged upon this system, that it placed the whole public treasure in the hands, and under the control, of the Executive. But every one knows that this is entirely incorrect; that the President, or the Secretary of the Treasury, can have no more actual control over the funds, on the proposed plan, than they now have. The President can have no direct control in either case, and the Secretary cannot draw a dollar from the Treasury, except in pursuance of appropriations made by law.

But, sir, I wish to call attention to the great point of distinction between the proposed plan and the deposite-bank scheme: it is this, that the former is entirely free from any moneyed influence. That is the only influence which we have to fear; that is the subtle poison which is to corrupt the very fountains of our liberties; that is the secret enemy, which, like the worm that never dies, is gnawing upon the very vitals of our free institutions. In the one plan, the public funds are not to be loaned or used; they, therefore, can neither benefit any one, nor corrupt any one; but, in the other case, the public funds are to be loaned through the agency of banks. But this is not all, nor the worst. The deposite-bank system, as established by the act of 1836, is subject to the most weighty and alarming objections. Those provisions of the bill were not sufficiently considered; they passed without discussion; the attention of all being engrossed by the sections of the bill relating to a deposite of the surplus with the States.

That act provides that all the public revenues shall be deposited in State banks, to be selected by the Secretary of the Treasury, and that, when the amount exceeds a certain sum, the banks are to pay interest at a certain rate. The banks are also required, as part compensation for the use of the public deposites, to perform the duties of pension agents. What are these principles but a proposition for a compact with the State banks? and when acceded to by any bank, it becomes a compact between the Government and such bank. And what is the nature of this compact? Why, that the United States is to become a sort of "partner in trade" with the deposite banks. It is, in fact, sir, a system of banking on the part of the United States, carried on through the agency of State banks, that agency resting on contract. If any individual was to contract with a bank for the use, for an indefinite time, of a large sum of money, to be employed for banking purposes, for which he was to receive either a stipulated interest or a certain share of the general earnings of the bank, would not such individual be engaged in the banking business? Sir, under this deposite bank system, the United States, during the year 1836, was carrying on a more extensive banking business than any institution in this country, as it had between forty and fifty millions, all employed in banking operations. But not only are the funds of the Government to be used for loans and discounts, but they are blended with those of the deposite banks; and, by this sort of political copartnership in banking, the Secretary of the Treasury may acquire, to some extent, an influence over the general business of the bank, and over its own capital, as well as that furnished by the Government.

The act contemplates that, by this compact, the bank is to submit to his supervision; it is periodically to report to him the state of its affairs, and to submit to such restrictions and regulations as he may prescribe, so far as he is authorized to do this by the act. The act also imposes restrictions as to the issuing of small bills on the deposite banks, which is virtually modifying their charters.

Now, sir, compare the two systems in respect to their bearing on Executive influence: the one makes a small addition to the patronage of the President, the other not only adds to Executive patronage, (for the designation of deposite banks is an item of patronage,) but it brings the Government into direct connexion with the moneyed institutions of the country. In some instances, a single bank has had several millions of the public funds, using them as a capital for discounts. How many persons would be interested in the maintenance of that fund in the bank? All the stockholders, to the amount of several thousands, whose dividends would be greatly increased; in some instances, no doubt, more than one hundred per cent. He had known something of one deposite bank, whose dividends were increased nearly at that rate. The customers of the bank, and all dependent upon it, have also an interest.

The Secretary of the Treasury has not abused the power improperly conferred upon him; but the influence of this system was great and dangerous. It was a moneyed influence, which ought to be, so far as possible, kept out of the Goverment. The use of the public funds was entirely wrong, and to receive interest was increasing the evil. Instead of swelling the flood-tide of Executive power, the proposed plan would destroy that dangerous moneyed influence which belongs to the present system, the most to be deprecated of all Executive power.

But it is said that, if this bill was to pass, the result would be the establishment of a Treasury bank. Surely there is nothing in this bill which has any connexion with a Treasury bank, nor could he see any tendency it had to

such a result. If a Treasury bank should be established, it must be by the subsequent action of Congress, wholly independent of the proposed financial measure. He hardly knew what the Senator from Virginia meant by a Treasury bank; but if it means only the issuing of a limited amount of Treasury notes or drafts, based on the funds of the Government and the faith of the United States, and receivable for the public dues, he should not be much alarmed at such a bank, provided he could be satisfied as to our constitutional power to establish it. He agreed with the Senator from South Carolina [Mr. CALHOUN] in the opinion that a limited amount of paper of that description would be found extremely convenient, not only for the financial concerns of the Government, but for exchange, and other commercial purposes. It would be truly a national currency, possessing equal value in all parts of the Union, and, of course, have advantages over any bank issues, whilst it would be free from those ruinous contractions and expansions which invariably attend a bank-note currency.

Mr. N. said that the proposed financial system, like all others, had three distinct aspects in which it must be viewed: its efficiency in the conducting of the finances, its political tendency and bearing, and its indirect influence on the currency. He had disposed of the first two divisions of this subject, and it now only remained for him to make a few observations on the last. The powers and duties of this Government in relation to the currency are a subject about which very different opinions prevail, both here and elsewhere.

The honorable Senator from Massachusetts [Mr. WEBSTER] maintains, with great strength of argument, that this Government possesses an independent, substantive power over the entire subject of currency, embracing the bills of State banks, and whatever else may circulate as money. He also said that he did not mean to be understood as expressing the opinion that there was but one way in which Congress could exercise this power of supervising and regulating the currency. By the one way he (Mr. N.) supposed was meant the establishment of a national bank; in what other way the gentleman proposes to regulate the currency he has not informed us. He, for one, felt anxious to see the gentleman's other measures.

The Senator from Virginia does not admit that Congress has any distinct, independent power, but considers that its power over the currency is only incidental to the revenue power. This opinion is not consistent with the views of many in regard to the tariff, yet he (Mr. N.) considered it the true doctrine.

In the adoption of measures for the collection, safe-keeping, and disbursement of the revenue, Congress can take into consideration the effect which such measures may have on the general currency of the country. This is all we can do: we cannot directly interfere with the issues of the State banks. This incidental effect which may be produced by our financial measures, would naturally seem to be of secondary, but now appears to be regarded as of primary importance. Indeed, it is the real or supposed bearing of the financial measures of this Government on the general currency of the country that attaches to them so deep and extensive an interest.

It becomes, therefore, important to consider how the proposed measure will affect the currency or the paper issues of the State banks. He thought that its influence would be very salutary, and that, in this respect, it would have a decided preference over either a national bank or the State deposite banks. It may, it is true, in some degree diminish the profits of banking; but the present system of paper money cannot be improved in any degree, however small, without the reduction of the profits of banking enters into the measure of reform.

What is the great evil of our paper system of currency? It is its instability, its irregular action, its constant tendency to the most ruinous expansions and contractions. This is a point about which there is no controversy; all agree in it. Will the proposed measure, then, tend to render the currency more stable and less fluctuating? If so, its influence must be highly salutary. One of its immediate consequences will be to create and keep up a demand for specie to the extent of the revenue and disbursements of the Government. This constant demand for specie will operate as a continued check and restraint upon the banks in the commercial cities; it will compel them to be more cautious in their issues, and to keep themselves more strongly reinforced with specie. The more cautious action of the city banks will tend to restrain the country banks. How considerable this restraining influence upon the banks may be, it was impossible to say; but, so far as it exists, it would be salutary.

It seemed, however, to be feared that the proposed measure would impose too great a restriction upon the banks; that it would diminish their ability and limit their operations too much. But this was not to be feared; the only danger was the overaction and the irregular action of the banks; this is their natural tendency; it results from the principles of the system, and is an evil which cannot be removed without a change of its principles. A bank of the United States, as he had already said, is now asked for, solely on the ground of checking and controlling the State banks; but when it is proposed to do this in any other way, that is regarded as an insuperable objection to the measure. How is this? Can State banks only be regulated by Federal banks, or is it a mere pretext that a national bank is wanted as a regulator of the State institutions?

But this constant demand for specie in the transactions of the Government will promote the general circulation of coin, and improve the whole currency; it will render our currency, in some reasonable degree, a mixed currency, instead of an exclusive paper one, as it now is.

But there will be other consequences affecting the currency, equal, and perhaps more important, than those named. The proposed system, should it be adopted, will occasion a complete and entire separation of the Government from all banks. This is its distinguishing feature, and highest recommendation. This separation is not only important in a political point of view, but, if possible, equally so in its effect on the currency and the interest of the country. What have been the fruits of this connexion? Sir, there is high authority on this point, which goes to show that it has been injurious both to the Government and the banks. Mr. Biddle, the president of the late Bank of the United States, who, in the opinion of some, is the greatest financier that now exists, or ever did, or ever will exist, has expressed this opinion. At the organization of the Pennsylvania Bank of the United States, in 1836, he congratulated the stockholders on the prosperous condition of their interests, the accumulation of a large surplus fund, and the purchase of a new charter, and boasted of the bank being "safer, stronger, and more prosperous than it ever was." He also adds, that "it was an original misfortune in the structure of the bank that it was in any way connected with persons in office. The instincts of all political power make that association dangerous—useful to neither party—injurious to both."

Sir, I repeat the question, what have been the fruits of this connexion of bank and State? Let the experience of the country answer! He need not go back to the last war, when, in the negotiation of loans with banks to the amount of about fifty millions, at least fifteen millions of dollars was sacrificed by the Government. These loans consisted of exchanging the credit of the United States, which was vastly better than that of any bank, for the credit of the banks, at the rate of eighty and eighty-five dollars for a hundred. This occasioned the rapid enlargement of bank issues during the war, and lead to the sus-

pension of the banks in 1814, and to a long train of calamitous consequences, under which the country languished for five or six years. He had already alluded to these circumstances.

This connexion has greatly increased the irregular action of the banks, and stimulated their contractions and expansions. The first great and sudden expansion of the Bank of the United States, in 1817, was, in part, occasioned by the Government redeeming thirteen millions of its stock, then held by the bank, as part of its capital, which obliged it to loan it suddenly to individuals. The public deposites, as is well known, have always been used by the banks as the basis of discounts; and, as they increase and diminish suddenly, this produces a corresponding enlargement and curtailment of their loans.

In consequence of this unfortunate connexion, as Mr. Biddle calls it, every measure of the Government, of a mere financial character, having no direct bearing on any commercial interest, has for years occasioned a disturbance in the monetary concerns of the country, which, under our credit system, are otherwise sufficiently unstable. Almost from the foundation of the Government, this has been one continued source of clamor and complaint—of agitation, of fierce denunciations, and of curses loud and deep against the Government, from the commercial portions of the community. Cause or no cause for these complaints, for his present purpose, was of little consequence. He believed that, in general, such complaints had been without any just foundation; but he wished to remove the pretext for them, and effectually to remove all grounds of charging, upon the mere financial measures of the Government, the disturbance of the currency, and the derangement of the business concerns of the country.

Was it necessary to refer to particular cases? There were some too recent not to be fresh in the minds of all. No one, he believed, had forgotten the removal of the deposites, in 1833, or the crisis and panic which followed; the deep agitation of the public mind; the violent party excitement; the failures and bankruptcies; and the general cry of ruin, which resounded from one end of the Union to the other. And what was that measure which produced such frightful and alarming consequences? He did not speak of it in a political point of view. Sir, that measure, which brought on one of the greatest crises that this country has ever experienced; which, in the opinion of some, threatened a revolution, and almost shook the Union to its centre, was nothing more than changing the deposite of some three or four millions of the public funds from one set of banks to another set of banks, in the same places. The deposite act, or the manner of its execution, is considered as one of the prominent causes of existing embarrassments. And the Treasury circular has been, and is now, here and elsewhere, regarded as among the causes which have deranged the currency and prostrated the business of the country. The large amount of revenue which had accumulated in the deposite banks, all admitted, was one of the causes of existing difficulties. He was tired of these complaints, and he believed the people were tired of them. If our monetary affairs are of so ticklish a nature, and there was so much susceptibility in the commercial community, it was time that the financial affairs of the Government were placed on a different footing, so that they could not be charged with disturbing these interests.

But there was one more consideration, of great weight in his mind, in favor of this great measure of a separation of the Government from all banking institutions. The banks have become an element of political power, and the basis of a moneyed aristocracy. The whole system is one resting on monopoly and exclusive privileges, in derogation of the equal and common right of the people. Experience has also proved that the system is founded on unsound principles, and its rapid and dangerous extension in the last few years, and the serious evils attending it, have produced a very general conviction, embracing, probably, a large majority of the people, that the system cannot long be endured as it is; that it must either be reformed or abandoned. From dear-bought experience this had become the general sentiment. But this reform cannot be effected here; we have no jurisdiction over the subject; Congress did not create the State banks, and it cannot unmake them, or reform the system. This belongs to the people and the States; let us leave it there; they have the power, and are competent to the task. The accomplishment of this important measure—one which at this time excites a deeper and more universal interest than has ever before existed in relation to any reform in our civil institutions—will no doubt be resisted, violently, desperately, by the whole combined moneyed influence of the country. The issue is already made up; it is a great issue; one which will be likely to agitate the public mind for twenty years to come. On the one side is the popular will, the great mass of the people; on the other are the banks and the moneyed power. On the one side (if he might use the language of the London banker's circular) is the aristocracy of wealth; on the other, the democracy of numbers. The struggle will be arduous and probably long, but the result cannot be doubtful. At a time like this, and under such circumstances, is it proper for this Government to become a party to this contest? As we cannot do it directly, is it proper, is it right, for us to interfere indirectly? As we cannot assist in carrying out this great reform, all that he asked was, that this Government should stand aside. It cannot rightfully become a party to this contest. It cannot promote the reform; but it may retard it. Shall Congress interpose itself between the people and this great measure? Shall it take sides with the banks against the people? Shall this Government become the endorser and the backer of the State banks? Shall we, by our improper connexion with them, encourage them to look to us to sustain themselves against the popular voice? Shall we unite and league them together, and thus add to their power by combination? Sir, let this Government stand aloof from this contest, and leave the banks in the hands of the States and people from whom they derived their existence, and to whom they are amenable for their acts, and by whose will they must stand or fall.

Mr. N. said he had gone through with the subject, so far as regarded the matters more particularly connected with the bill under consideration, but would briefly notice another topic which had been drawn into this debate.

It is said by gentlemen that no measures are proposed for the relief of the country; that we seem only anxious to take care of the Government, and to do nothing for the people. This is the broad and general objection to the measures reported by the Committee of Finance. Is this charge well founded? He thought it was not. What is meant by taking care of the Government, and doing nothing for the people? Have the people no interest in the Government? Is it not their Government? And is not what is done for the Government, done for the people?

But he supposed gentlemen meant that no measures were proposed to relieve the present embarrassments of the country. But is this correct? Will not most of the bills which have been reported by the committee have a tendency to afford relief? The bill extending the time of payment of the merchants' bonds is certainly a direct and important measure of relief; the bill giving indulgence to the deposite banks which are indebted to the Treasury, is another essential measure of relief; and the bill authorizing the issue of Treasury notes, although intended to aid the Treasury, will operate most beneficially as a measure of relief to the whole country. Its immediate effect will be equivalent to the infusion of a sum into the metallic currency of the country equal to the notes to be issued.

So far as the revenues of the Government are concerned, our measures all tend to afford relief. Ought we to go further? Can we go further? What do Senators desire or expect? Do they wish the Government to provide for liquidating the foreign debt of our merchants? or would they have us assist the banks? Why, the Senator from Virginia [Mr. RIVES] says that all that is wanting is confidence! Confidence from whom, and in whom? He seems to suppose that the want of confidence in the State banks is the principal source of difficulty; and that the measures proposed were calculated to destroy, rather than to restore, that confidence. But Mr. N. apprehended that the want of confidence in the banks was not the cause of our difficulties; they had rather proceeded from an excess of confidence in the banks—and he did not think there was any want of confidence in the solvency of the banks; he was rather astonished that there was so much confidence.

What was the present causes of the prostration of business? He did not mean the causes which may have brought the country into this situation. Is the want of confidence the main cause? He thought not. The causes lie much deeper and broader. You might as well suppose that a patient, brought by a violent fever to a low state, could suddenly recover by confidence. Sir, something more than confidence is required. The causes now operating are debt and the derangement of the currency, and mainly the former. The disordered state of the currency is extremely vexatious, and it embarrasses the domestic exchanges. This is about the extent of its influence; for as long as the bills of the banks circulate freely, they answer the general purpose of currency. But debt is the great cause; all overtrading produces exhaustion; the debts abroad and at home must be paid off, or greatly reduced, before business can revive. This requires time, and the avails of the crops of the country. It is the true policy of this Government to connect its legislation as little as possible with the great interests of the country and the business concerns of the people. Protection, freedom, and security in their pursuits, are all the Government can afford, and all a wise people will desire.

But it is claimed that it is the duty of Congress to adopt measures to bring about a resumption of specie payments by the banks. How can Congress do this? What power have we over the State banks? Can we, by coercion, compel them to resume specie payments? This is not claimed; but it is supposed we can effect the object by means of our revenue. But (Mr. N. said) he had no faith in such remedies; we have been trying them for years, and what have they amounted to? We have tried the experiment of a national bank, and that of deposite banks, for regulating the paper currency of the State banks, and he held that both experiments had failed. It had not been regulated or improved, but had gone on from bad to worse during the whole of this period. He thought it unwise and mischievous for Congress to deceive itself and delude the country any longer. Sir, it is high time this delusion was expelled, and the public opinion disabused in relation to the ability of this Government to regulate and control the paper medium supplied by the State banks. Congress never has done this, and never can do; we have not the power; it resides in the States, and they alone can apply a remedy. If there are petitioners here, it is our duty to refer them to the States. The evils of our paper system are too deeply rooted, and its ramifications too extensive, to be reached by any indirect measures of Congress. It is idle, therefore, to keep up this delusion; and now, sir, is the time to dispel it. One branch of the Government—the Executive—has done its duty. At this great crisis in our monetary affairs, he has spoken with the fearlessness and honesty which became the Chief Magistrate of an enlightened people. The President has done his duty, let Congress do its duty; let us boldly and honestly tell those who apply here for the correction of the evils of the paper currency, that we have no power to apply a remedy; that they have mistaken the tribunal, and appealed to the wrong forum. Let us refer them to the States; let us tell them that the remedy is in their own hands, and that it depends on themselves whether they will continue to suffer all the evils of a depreciated and vicious paper currency, unsettling the value of property, deranging all the pursuits of business, and corrupting the morals of the community, or apply an adequate remedy. Mr. N. said he had no doubt what would be their final decision on this great question; he concurred fully with the distinguished author of the letter to Sherrod Williams, that an intelligent "people, like those composing the States of this confederacy, will not long stand by and see the currency of their respective States corrupted, the value of their property unsettled, and all their interests deranged, by the imprudence or cupidity of the banking corporations, without finding and enforcing an effectual, and, at the same time, a constitutional remedy." Such remedy they cannot find here.

What, then, do gentlemen expect can be further done for the relief of the country? Those who so earnestly call for measures of relief, he thought, were bound to suggest their plans. He should like to see their relief measures. The favorite measure of relief we all understand; but, as they cannot obtain that, what are their other measures? Would they have Congress attempt to regulate the commerce of the people, as well as the currency of the States? Would they have the Government interfere in the private pursuits of the citizens to help them out of their difficulties? If we had the power, such interference would most assuredly only make matters worse, and, he feared, be soon denounced as another "experiment."

To the solemn appeals to the majority for some healing measure to relieve the merchants and others from existing embarrassments, and to help them in their private affairs, he would apply the opinions of two great men and profound thinkers: "Projectors," says Adam Smith, "disturb nature in the course of her operations in human affairs; and it requires no more than to let her alone, and give her fair play in the pursuit of her ends, that she may establish her designs. Little else is requisite to carry a State to the highest degree of opulence, from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice; all the rest being brought about by the natural course of things." This brief sentence contains the principles which lie at the foundation of the immortal work of that great man.

The other opinion is from Thomas Jefferson; scarcely inferior as a philosopher, and more experienced as a practical statesman. In his first inaugural address, where we find more profound and just political maxims than in any other publication of the same extent in this or any other age or country, he asks the question, "What farther is wanted to complete the general prosperity?" and answers it as follows: "One thing more, a wise and frugal Government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned." Here, in a few words, we have the three great requisites of a wise and good government—protection and security, entire freedom in private pursuits, and light taxes, or an economical administration.

When Mr. NILES had concluded—

The Senate, on motion of Mr. SMITH, of Indiana, adjourned.

THURSDAY, SEPTEMBER 21.

SUB-TREASURY BILL.

The Senate resumed the consideration of the bill providing for the collection and custody of the public revenues,

together with the amendment offered thereto by Mr. CALHOUN.

Mr. SMITH, of Indiana, being entitled to the floor, rose and said:

Suffer me, Mr. President, to make to the Senate my acknowledgments for its kindness in adjourning over last evening upon my motion. At that time I was too much indisposed to proceed; and, in return for the indulgence of the Senate, I can only promise you that I will detain it no longer than may become necessary to enable me to submit, in as brief a manner as possible, some thoughts on this important subject.

Sir, in this my first attempt to address this august body, of which I have but recently had the honor to become a member, I am not unapprized of the delicacy of my situation, surrounded by old, able, and experienced Senators, who have grown gray in the service of the country, in this and the other body—men to whom the people have justly looked for the doctrines of constitutional liberty. It would almost seem presumptuous in me to throw myself into this debate; nor could I be pursuaded to do so, to their entire exclusion, unless under a paramount sense of my duty to my State. The country, however, will lose nothing from that source, as I understand that the subject now before the Senate is one which will undergo a full and ample discussion on the part of those distinguished Senators to whom the country is looking for information as to the best course to be pursued, not only on the part of the Government, but on the part of the people; and while it is to be hoped that most of them will respond to the call of the Senator from South Carolina, [Mr. CALHOUN,] I am still disposed to ask your indulgence to the expression of my own opinions on a subject on which the views of even such men are so opposite and so various.

Sir, this is a subject of great importance to the interests of the country, and one that has caused great anxiety in the public mind. It is therefore highly important that the whole matter should be laid clearly and fully before the people, that they may have an opportunity of judging for themselves on the merits of the propositions made here, both in favor of and against the views of the Executive. For my own part, it is sufficient for me to say that, if I know my own heart, I came to this body with a sincere desire to co-operate with the Executive Government in any measures which may benefit the people or restore the national prosperity; and towards the individual now in the Executive chair, and the other officers of the Government. I have none other than the kindest feelings. But in relation to measures proposed for the benefit of the people, I hold myself at liberty to examine them fully and freely, without being controlled by those trammels which have been too often used to force men to act contrary to their convictions. When I took my seat in this body, it was with a full determination to examine carefully for myself the various propositions that might be presented, and to decide upon them according to their merits Sir, we were called on to aid the Government, because it is obstructed in the exercise of its ordinary powers. And when we were told that the Government required our aid, that it was embarrassed for the want of money, and that it was necessary for Congress to grant it supplies to aid in the course of its ordinary operations, I did not hesitate, nor did I even examine very closely the propositions in relation to the means of those supplies; but, knowing that they came from the Committee on Finance, founded on the estimates of the Secretary of the Treasury, without any hesitation I voted for the bill authorizing the issue of Treasury notes. I preferred the bill as it was, without striking out the provision for interest on the notes. I was not willing to resort to a temporary expedient, such as issuing notes without interest, which, as heretofore, could serve only to delude the people, and end in disappointment, without any practical benefit.

The next bill in order was the one to postpone the fourth instalment of the deposites with the States. It may not be strictly in order, but as great latitude has been given to the debate, I beg leave here to give my reasons why I could not vote for that bill; and one of the strongest, in my mind, was this: that the Government of the United States, through the medium of an act of Congress, had raised expectations on the part of the States which it ought not to disappoint. The States had prepared to receive the money; they accepted the proposition of the Government, proceeded to legislate on the subject, and many of the States appropriated the whole fund: some to the important cause of education; some to aid in their works of internal improvement; some in one way, and some in another, beneficial to the people. The States relied with full confidence on the receipt of the money; they had a right so to rely; and, although the facts may not strictly amount to a legal contract between the parties, it is certainly so nearly allied to one, that it would be doing the greatest injustice to the States and people to disappoint their just expectations, by withholding the instalment.

Again: It was admitted by the chairman of the Committee on Finance that, if the instalment was retained, being in paper, it could not be made available in aid of the necessities of the Treasury, as the Government would not use paper, and we would still have to authorize an issue of Treasury notes, and a loan of at least $10,000,000. Why, then, withhold it from the States, who are willing to receive it in the very funds the Government rejects; and in many instances can accommodate the matter with their own deposite banks, beneficially to the Government, the banks, and the States?

But, viewing it as a question of inconvenience between the Government and the States, how stands the case? It would certainly be much less inconvenient to the Government to add the amount of the instalment to the amount of the loan she is compelled to make, at all events, than it would be to the States to lose the benefit of the money at this time. These, sir, are some of the reasons that induced me to vote against that bill. I thought it but justice to myself to state them, as I gave a silent vote on that occasion.

Sir, I have been surprised to hear this great subject argued here as if it were really a question between the Government on the one side, and the merchants and banks on the other—as if the great body of the people had no stake or interest in the matter. Do gentlemen really suppose that the banks and merchants are not creditors as well as debtors? Do they not know that for every dollar the banks and merchants owe, the people owe them at least as much? Do they not know that you cannot oppress the banks and the merchants, without producing a corresponding pressure on their debtors, the people? Will not the importing merchants call upon their debtors, the retail merchants? The retail merchants are involved; but are they alone? No, sir; they go to their debtors, the people, with their demand augmented by their profits on the goods. The whole, sir, falls on the consumer. In this way the disasters of all classes in the country are necessarily identified. Sir, you cannot oppress the banks or the merchants, unless you, by the same measures, embarrass their customers, the people. If you put your iron hand on them, they resort to the people; and on the people ultimately the evil must fall. It is not the fact, that this is a controversy between the Government, and the banks and importing merchants. It is a question involving the interests and prosperity of the entire country; and, sir, I am glad it is so. I should be extremely sorry to see the time when the great interests of the community shall be so separated that one may fall without the others. They are all embarked in the same national vessel, bound to the same port; and equal regard should be paid to them all.

It is admitted on all hands that, throughout the country, from one end to the other, confidence is destroyed. Yet it is said, truly, that we possess all the elements of prosperity, which only require to be put in action. But, sir, look at the state of our exchanges. Gold and silver, at Nashville, commands eighteen per cent. premium; United States Bank notes are bought up by brokers at twelve and a half per cent., to be sold by them at fifteen; Ohio, Indiana, Kentucky paper, from eight to ten per cent. premium. Such is the state of the money market there, as stated in the Nashville Banner; and so it is all over the country—at a premium at one place, and at a discount at another. Sir, it is impossible for the farmer, the mechanic, the merchant, or any other individual to know what to do; such and so great is the destruction of public confidence and the derangement of the currency and exchanges. But we are told from very high authority, that the Government has nothing to do with the exchanges; that the merchants must manage them themselves, or that other means must be provided than those of Government. If, by this doctrine, I am to understand that Government has no power to fix the rate of exchanges, I admit its correctness. But if the Executive means to say that Government has no power to aid in the application of the appropriate remedy for the deranged and obstructed exchanges of the country, I wholly disagree with him. Sir, it is an after-thought, to answer a particular occasion. It is an opinion never advanced before by any statesman. Such, sir, was not the opinion of President Jackson, or his advisers, at any time of his administration.

It will be recollected that, during the time of the bank war, when the power of the Executive government was arrayed against the Bank of the United States, it was declared that one of the important functions of the bank, due to the interests of the people, was, to regulate the exchanges; and therefore it was contended that it ought to be continued as the Government agent. On the opposite side, it was contended that the local banks, the State banks, the Government deposite banks, would regulate the exchanges with as much advantage to the people of the United States as the United States Bank. And yet it never was contended that the power of the Government, in its fiscal operations, could not be constitutionally directed, so as to regulate the exchanges of the country. Allow me to read an extract from President Jackson himself, in which the regulation of the exchanges was considered an important part of the duties of the fiscal agent of the Government of the United States. The President, considering the matter of so much importance, uses the following language, for the purpose of satisfying the American people that the local banks, while they would perform equally well the ordinary duties of the Bank of the United States, would also perform the same office equally well, in regulating the exchanges of the country. He says:

"Experience continues to realize the expectations entertained, as to the capacity of the State banks to perform the duties of fiscal agents for the Government. At the time of the removal of the deposites, it was alleged by the advocates of the Bank of the United States that the State banks, whatever might be the regulations of the Treasury Department, could not make the transfers required by the Government, or negotiate the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges, performed through discounts by the United States Bank and its twenty-five branches, were, at least, one-third less than those of the deposite banks for an equal period of time; and if a comparison be instituted between the amount of service rendered by these institutions, on the broader basis which has been used by the advocates of the United States Bank in estimating what they consider the domestic exchanges transacted by it, the result will be still more favorable to the deposite banks."—*Message of* 1836.

Does any one suppose that President Jackson and his cabinet would have thought it so important to satisfy the public mind of the ability of the deposite banks, as fiscal agents of the Government, to regulate and assist in procuring a wholesome state of the domestic exchanges, if, in truth and in fact, the Government had no constitutional right to act in the matter?

It appears, sir, from a paper now before me, that such also were the views of Mr. Van Buren, as expressed in his letter to Sherrod Williams. I read this, sir, for the purpose of showing that the idea of denying to the Government, through its fiscal agents, the power to aid in the regulation of the exchanges, is an after-thought, to answer, as I said before, a particular purpose. Mr. Van Buren, in the letter referred to, says:

"The principal grounds relied upon for a bank, to establish its utility and necessity, as I understand them, are,

"1st. That such an institution is necessary for the transmission and safe-keeping of the public moneys;

"2d. To secure a safe, cheap, and convenient system of domestic exchange; and

"3d. To make and preserve a sound currency.

"The official reports of the Secretary of the Treasury show, first, that the average amount of money annually transferred by the Bank of the United States, from 1820 to 1823, was from ten to fifteen millions of dollars; and the amount transferred by deposite banks, from June, 1835, to April, 1836, or about ten months, over seventeen millions of dollars; in both cases the operation has been without loss, failure, or expense. In regard to domestic exchanges, the following facts are also established by the same authentic source, viz: That the amount of domestic exchanges, performed at the last returns by the deposite banks, exceeded thirty-five millions of dollars; and at no return, for many months, has it been less than twenty-five millions; which, at an average of thirty millions at each return, would be, in a year, one hundred and eighty millions, if each bill of exchange run on an average of sixty days."

Now, sir, do not gentlemen see the vast amount of the currency of the country operating as a circulating medium, which assumes the character of bills of exchange; and do they not see the fatal consequences to the business and prosperity of the country, resulting from the derangement of this part of the medium of circulation, and the vast importance of regulating it by the fiscal agent of the Government, as no other power can do it? Sir, it appears conclusive to my mind that, when Mr. Van Buren was canvassing for the presidency, he did not pretend that the Government had not the power to aid in the regulation of the currency and the exchanges. I think, sir, I have sustained the position, clearly, that such was not the opinion of the late Executive, and that such was not the view of Mr. Van Buren when he was canvassing for the presidency. But now, in order to sustain the divorce bill, which withdraws the aid of Government in regulating the currency and exchanges, it is necessary to repudiate the idea that Government should aid in regulating the currency and the exchanges, and to show that she has no power over this matter.

Again, sir: we hear from different quarters—I know not whence it originates—but we hear the cry of "propose your questions; bring forward your counter-propositions, if you are opposed to those of the administration; this is a contest between the aristocracy of wealth and the democracy of numbers." Sir, I know not what the aristocracy is like, or of what it is composed. There may be such a thing in some of the older States, but it is unknown in the State from which I come. There, all are on an equality; or, rather, there is but one line of distinction between them; and that is the line which divides vice from virtue, honesty from villany; every man standing on his own merits, without regard to those factitious and invidi-

ous distinctions. But, even if such a line existed, are we to array one class of citizens against another—to excite envy and enmity on the one part, and contempt and hatred on the other? No, sir; under this Government all are on the same platform of equality, uninfluenced by artifical distinctions not founded on personal merit, and stimulated by the glorious consideration that the door to the highest offices within the gift of the people is alike open to all.

Sir, as to the embarrassments of the country—the great and menacing crisis at which we have arrived—I have but a few words to offer. We must be guided mainly by the light of experience in providing a remedy. Again and again has it been ascribed to the same cause—of overtrading, speculation, expansion of bank paper, *et cetera*. The people, it is said, have become consumers, and not producers. No doubt, these are some of the immediate causes of the evils complained of. But I have my own views on this subject; made up, (not here, for I have been eight years from the Capitol, but at home,) with the people; and I think I know their views; they are founded on plain common sense. It is said there has been great overtrading, too much speculation, too much bank paper. Sir, I admit the fact; but standing here as I do, I feel it due to myself, to my State, and to gentlemen here, that I should not withhold my more particular views on this subject—not for the purpose of criminating others, or of disuniting us; this would do no good; we ought, as far as possible, only to recur to the past to guide us in future, and to unite in attaining the great object of the session. I will not say, therefore, that this, that, or the other measure was wrong, for the purpose of censuring any one; but I do say that the people have a right to know all that they can know from us respecting them; they are looking with intense anxiety to this body, both for information and relief.

Sir, I attribute this crisis of the country to something different from the Senator from South Carolina, [Mr. CALHOUN;] and, in doing so, I judge by the times of different events, and by their effects on the people. I know, sir, the great ability of that gentleman to argue away our common sense, and almost induce us to believe that a thing is not what is apparent on its face. I attribute these embarrassments and disasters to the destruction of the national bank, and the removal of the deposites, in the first instance, as the great moving cause. I cannot be satisfied without speaking the truth. Previous to changing the deposites, these difficulties were unknown; the exchanges were unobstructed, and almost without expense; and bank paper was everywhere redeemed with specie. But the moment you said "break down the Bank of the United States," and it became evident that you would succeed in its prostration, these evils were excited; and banks sprang up, and banking capital increased all over the country, in a manner without a parallel in the banking history of this or any other nation. Your next step was to remove the deposites of the Government from the United States Bank to the selected local banks. These deposite banks, so soon as they received the public revenue, were encouraged—nay, compelled—by the Government to expand their issues; it was expected and required at their hands, before the Government would give them the use and control of the public revenue. The vacuum created by the withdrawal from circulation of the notes of the Bank of the United States was to be supplied by this better currency, as the people were told. The banks, thus encouraged and stimulated by Government, expanded their issues, until the whole country was flooded with their paper; property of every kind took a sudden rise, except the public lands; produce was high, and paper money as plenty almost as the leaves on the trees of the forest. The temptation was too great; the people were seized with a kind of speculating mania; millions of dollars were drawn from the banks, and invested in public lands and other property; a great demand was created for merchandise, in consequence of the facility with which money was obtained; and the importing merchant, willing to share in the golden harvest, made large importations; the whole country presented a most flourishing aspect, and the friends of the measures pointed with pride and self-gratulation to all these evidences of prosperity, and cried, "Now who can doubt the wisdom of our measures?" In the midst of all this cheering, while the banks were pursuing the very course pointed out to them by Government, they were met by the cruel Treasury circular, the order in council, which required all payments for public lands to be made in gold and silver. Sir, what was the consequence of this order? Why, sir, it at once created a suspicion of bank paper; and that suspicion immediately ran through the public mind like fire through a dry western prairie; it was the tocsin of alarm to the people; public confidence was soon destroyed; and the consequence was, that specie soon commanded a premium. A run commenced upon the banks, by the holders of their notes; but even this they could (most of them) have stood, but private depositors became alarmed, and withdrew their deposites, and hoarded them up; and the final consequence was the suspension of specie payments. Sir, thus by your own acts you have aggravated the very disaster which you produced, and which, in the first place, you ought to have prevented, and, in the second place, to have remedied. This state of things became contagious, and the contagion extended itself to every country, and to every interest, directly or remotely connected with us, with a violence proportioned to the intimacy of the connexion and the quantum of the interest involved. The extent of the injury sustained by the issuing of the Treasury order in council is not to be measured by its operation on the specie of the country, by diverting it from the channels in which the laws of trade required it to flow, but by the effect it produced on the public mind prejudicial to the credit, currency, and business of the nation. Sir, from the first moment I saw that order, I had no doubt of the approach of the final catastrophe. The banks, pressed on the one hand by the Government, and by their depositors and the holders of their notes on the other, were wholly unprepared and unable to stand up. I contend, sir, that the Government stimulated the banks to the unwarrantable expansion of their issues, in the first instance, by her measures; and then, by her counter-policy, produced the catastrophe which followed. I presume these measures were adopted from patriotic motives; but, sir, can there be a question as to their wisdom?

It is admitted by all, that the revenues of the Government must be collected and disbursed; and that, in order to perform this operation, fiscal agents must be employed. The great question, then, submitted to us, is, what shall be the agent? That we may decide that question, Mr. President, with all the lights of experience and reason before us, it seems necessary to recur to the past policy of the Government. I do not this, sir, for the purpose of criminating or reproaching others who have differed from me on this policy—far, very far, from it. I recur to it as a matter of history of past events, that should not be lost to the statesman of the present time, while anxiously seeking for the true position of the vessel of state, and for the best means of extricating her from her perilous situation. The people want to be placed in a condition that they can pursue their various avocations with safety. The matters connected with this bill should be finally and forever decided, not to be disturbed without good cause: for it would be better for the people to know what they have to depend upon, though it might not appear at first so beneficial to their interests, than to be eternally deceived and deluded by "experiments" and "expedients," only proving that, even in these days, there are men who are "rich in promises, but poor in performances." Sir, the fiscal operations of

this Government have been, for a great portion of the time since the adoption of the Federal constitution, aided by a national bank. The first institution of the kind was established under the administration of, and approved by, President Washington, the father of his country. It passed a Congress composed of a large number of the very men who formed our glorious constitution. I mention this fact for the purpose of answering an objection to a national bank, founded on these positions: first, that it is unconstitutional; secondly, anti-republican, and dangerous to liberty. I hear these objections urged from all quarters, by the politicians of the present day. Do these gentlemen suppose that the framers of the constitution themselves did not know what powers were intended to be given by that instrument, or that they would so recently after its adoption wantonly violate its provisions? Or can they believe that these patriots and sages would have adopted a measure anti-republican, and dangerous to liberty, so soon after they had crowned themselves with unfading laurels, in that glorious struggle which ended in the prostration of regal power, and the establishment of these free institutions under which we live, at once the envy of monarchs and the pride of freemen? After this bank had discharged the duties assigned to it for the term of its charter, the local banks were tried, fairly tried, and proved wholly inefficient to discharge the duties which the United States Bank had performed; and the Government was compelled to ask for the charter of another national bank. This call was responded to, favorably, by almost the entire democracy of the nation, and by many who had voted against the old bank. The act was approved of by that great apostle of constitutional liberty, Mr. Madison; it subsequently received the approval of the highest judicial tribunal in your country, deciding the question of constitutionality—that great jurist, Chief Justice Marshall, on the bench. Sir, is this question of constitutionality never to rest? It has been decided in every way known to the constitution. Why, then, disturb it? I have said, Mr. President, that a great part of the time the Government has existed, she has used, as her fiscal agent, a bank of the United States; and, let me add, up to the day of the removal of the deposites, not one dollar was ever lost to the Government, from any mismanagement on the part of this agent. Her revenues were received and disbursed, in every part of the nation, with a promptness and safety almost incredible. The domestic exchanges of the country were aided, to the entire satisfaction of all concerned. The currency, the vital principle of industry, was sound, astonishingly sound; all of the banks redeeming their notes, on demand, with specie. Sir, it may safely be said, that no people ever before had so safe, so uniform, and so convenient a circulating medium. It was exactly suited to the enterprise of the American people—a mixed currency; a paper currency, convertible into the precious metals at the will of the holder. I would to Heaven, Mr. President, that we had just such a currency at this time, in lieu of the deranged circulating medium which has been forced upon us by the mistaken policy of the late administration. But, is this all? No, sir. The fiscal agent of the Government, the Bank of the United States, not only discharged all these duties to the Government without the loss of a dollar, but it actually paid to the Government the sum of one million five hundred thousand dollars, as a bonus for the privilege. Why, then, why, let me ask, did the Government abandon this agent; give up the bonus, which was increased to three million by the act which passed Congress, and met the veto power of the President; give up the benefits arising from a sound and wholesome state of the exchanges and currency, and ask to be delivered from that union? Sir, I was opposed to that divorce; first, because I thought the old matron a mainstay in the family; and, secondly, because I could not discover any of the predicted advantages that were to arise from the new alliance with the local banks. I viewed the matter then, as those who are asking for a divorce from that union seem to view it now; and gentlemen will excuse me if I cannot have much confidence in the new "expedients" of those who, like the present Executive, with a full knowledge of the results of former trials of the State bank system, still urged it upon the American people as altogether entitled to their confidence and regard. I was somewhat surprised to see the open avowal of the President, in his message, read to us a few days ago. He says "local banks have been employed for the deposite and distribution of the revenue at all times, partially; and, on three different occasions, exclusively: first, anterior to the establishment of the first Bank of the United States; secondly, in the interval between the termination of that institution, and the charter of its successor; and, thirdly, during the limited period that has now so abruptly closed. The connexion, thus repeatedly attempted, proved unsatisfactory on each successive occasion." Then why did they resort to it again? They openly avow, and admit the fact, that it (the "experiment") had been tried twice before. But there two are simple facts, admitted by the President, that to me speak volumes in favor of the wisdom of a Washington, a Madison, and their cotemporaries, in establishing a national bank; they are these: that even the most desperate of the officers of the army that has been employed in the war against the bank while living, and against its ghost since its decease, cannot say—has not dared to say—that it had not at all times discharged its fiscal duties with fidelity; and, secondly, it is admitted that the operations of the Government became obstructed, in each case, when the Bank of the United States was dispensed with as a fiscal agent of the Government.

I come now, Mr. President, to speak of the bill before the Senate, known here as the divorce bill. I was opposed, as I have told you, to the original divorce; I was still more opposed to the object of your then choice; and had I been here, in the name of my country I would have forbidden the bans. But you married, and I now find the groom, and nearly all the wedding guests, in favor of another divorce. Sir, upon principles of common law, you are not entitled to it; you winked at—nay more, you seduced your bride from the path of virtue; and you ought not to be allowed to take advantage of your own wrong. But, sir, I am ready to confess that I am much more opposed to the object of your third union, than I am to a separation from the darling of your second choice.

Sir, this sub-Treasury scheme of divorcing the Government from the banks and people is, in my mind, the most alarming proposition that has ever been presented to the American people. In vain did our revolutionary sires shed their blood in the contest for liberty; in vain did the sages and patriots of that eventful epoch contend for the glorious privileges which we enjoy, if, at this day of the republic, we are to surrender up to the Executive, and to his immediate advisers, the liberties of this great people. Sir, when the patriot daily sees the immense powers claimed for, and exercised by, the Executive, has he not just cause for alarm? The veto power is his; the army is his; the navy is his; the appointing and removing power of all the inferior officers of Government is his; the sword is his; and he now asks for the purse. Shall we give it to him? Shall we surrender up the treasures of the nation—the hard earnings of the people—into his hands, as is proposed by this bill. Never, Mr. President, with my consent—never, never. I speak not with reference to the present Chief Magistrate. I am discussing this matter upon principle. Sir, I have reason for alarm, when I see the other powers of the Government surrendered up, one at a time, either before or after the exercise of the veto, to the will of one man. How can I forbear to look with jealousy and alarm at a power so inordinate in its desires, and so engulfing in

its effects? This bill, sir, surrenders up the remnant of power which we had still left with us. I object to it because of the vast increase of Executive power and patronage it confers, first, by giving up the sole control of the revenues of the nation; and, secondly, by the vast increase of officers it authorizes. In addition to the land and custom-house offices now in existence, it will be necessary to establish a great many more as sub-treasuries; add to these the twelve thousand post offices, all of which are to be little treasuries, and, sir, then come the visiters and examiners of these offices—as the bill requires an examination once, at least, each year—and you have an army of officers traversing every part of the country at the bid of the Executive, paid from the public moneys by the President, and bound, upon pain of dismissal from office to obey the Executive or party fiat. Sir, I am unwilling, by any vote of mine, to contribute to this result. But, sir, will the public money be safe? This is a question of great importance. Experience tells us that it will not; and, my word for it, when it shall have been tried to the satisfaction of those who are now pressing it upon us, the defalcations will be found a much more formidable item in the unavailable funds than what appears against the national bank. But, in addition to this, you give up the bonus paid by the United States Bank. You give up the advantages resulting to the country from a well-regulated currency and a wholesome state of the exchanges, and you pay not less than $100,000 annually to carry on the "expedient," without one countervailing benefit.

Sir, there is another objection to this measure more formidable, in my mind, than any of those I have attempted to urge. You propose to separate your fortunes from the destinies of the great body of the people; to make this Government, which I have always understood to be a Government of the people, an alien to their interest; you propose to give the Government and its officers gold and silver, and leave the people to struggle on with such a currency as the States may furnish. Sir, I know this people love the Government; I am not unapprized of their deep-rooted devotion to the institutions under which they live. Have they not on all occasions, in times of peril, when the existence of the nation was threatened by a hostile foe, rallied to the standard of their country, and laid down their lives a voluntary sacrifice on the altar of liberty? And shall they then be told, in times of difficulty and embarrassment, that this Government will take care of itself—that it has no power to assist the people—that it will provide for its own officers the precious metals, although the consequence may be ruin to the people? Sir, let those who are pressing this matter upon them not presume too far. It is not your parchment roll, called a constitution, that holds this people together; it is a supposed community of interest: and whenever you shall satisfy them that the Government of their choice has no common interest with the people, the governed, that moment they will lose all attachment to the constitution, and either dissolve themselves from a Government of requisitions and burdens, and not of benefits, or they will seek redress in a change of rulers. Sir, I am no prophet; yet, judging from the voice you have heard from the West, and the responsive echoes from the East, if you carry these measures, in the course of my senatorial term of six years you will see these tables turned, and a confident majority reduced to a harmless minority here; and in that event—mark my words to-day—you will hear a voice long and loud coming from that minority crying for another divorce from the evils of this measure. I hope in this I may be mistaken; but such are my opinions of the evil consequences which must result from this measure, that I hazard the opinion.

But, sir, as the representative in part of one of the Western States, I protest against this measure as being of the most noxious character to our interest. Does not every Western man see that its practical effect must be to drain all our specie from us, through the land offices and post offices, and expend it here and on the Eastern waters in the creation of a navy, breakwaters, light-houses, fortifications, &c.? Since you have abandoned the doctrines of internal improvement, we have no objects for national expenditure, except, to be sure, the Cumberland road; and the expenditure on that is a drop in the bucket when compared with the amount received by the Government from the people of the State. Again: I object to this bill as being wholly illusory, and presenting a false issue to the people. It is not a question now, whether the people will have specie or paper in their common business transactions. This Government has no power over the State banks; they are the creatures of the Legislatures of the different States; and whether this bill passes or not, the people of the States will have a paper currency: and the true question for them to decide is, whether they prefer a local paper exclusively, or whether they would prefer a national paper of universal circulation, controlling the State issues within wholesome bounds, and convertible into specie at the will of the holder.

Sir, let us examine for a moment the consequences that must necessarily result from any measure, at this time, reducing the property of this nation to a metallic value. Would it not at once amount, in effect, to a confiscation of at least two-thirds of the property in the country? Would it not increase, as two to one, the debts of the people? And how, let me ask, do gentlemen suppose the debtors—either merchants, banks, or people—can pay their debts, if specie should be required? Property must come to the hammer of the auctioneer; and the sacrifice would create ruin, wide-spread ruin. Sir, I would rather see a foreign army in your country, than to see the property of every debtor brought to the hammer on a specie demand. The desolation would be far less. Innocent and unoffending families, who are in supposed affluence to-day, would be beggars to-morrow; thrown upon the cold charity of an unfriendly world. Sir, I cannot see it. I would avert it if I could. But, if gentlemen will go on, let them take the responsibility. The Senator from South Carolina [Mr. CALHOUN] told you that the disease was debt, and he knew of no cure but to pay it. This may be true; but does not that Senator know that it is in vain to tell men to pay their debts, if you take from them the ability and means of payment? If you render the property with which they might pay valueless, how do you expect them to pay? Do gentlemen suppose that there is specie enough in this nation to pay the one-fourth of the debts, independently of answering the ordinary medium of circulation? If they do, I can only say that they have surely not examined the subject.

Sir, I have detained the Senate much longer than I had anticipated before I rose. I will say a few words relative to the amendments of the Senators from South Carolina and Missouri, [Messrs. CALHOUN and BENTON,] and resume my seat.

I cannot go for the amendment of the Senator from South Carolina. It assumes the same principle of the bill; that is, that the Government, in the collection of its dues, will, at given periods, refuse to take the paper of specie-paying banks, and will collect all its revenue in specie. I object to the principle, and cannot give any vote that can be construed into a sanction of such doctrines.

The amendment of the Senator from Missouri is still worse in principle. That amendment gives a premium on the part of Government of one per cent. for all the gold that may be paid by her debtors. What does this mean? What can be the object? Is it to draw all the gold of the country into the Government vaults, for the benefit of its favorites? For if the Government gives one per cent., surely she will not pay it out in her ordinary business transactions at par.

I cannot close my remarks, Mr. President, without say-

ing that I entertained strong hopes, when I came here, that we should be able to unite on some measure that would restore confidence, regulate the currency, and give relief to the people. But I am now compelled to say that, in my opinion, we shall do nothing to meet their just expectations; and my fondest hopes will end in disappointment. I shall vote, as a choice of evils, for the bill of the gentleman from Virginia; but I must say I have little or no confidence in it. Still I do not think it so objectionable as the sub-Treasury scheme. My opinion has been, and still continues to be, that experience has proven that a national bank, properly guarded in its powers, is an indispensable fiscal agent to the Government, as well as absolutely necessary as a general regulator of the currency, and of the exchanges, and of the issues of the local banks. A majority here, however, think otherwise; and it will be for the people ultimately to decide the matter; and in that decision let all acquiesce. I am sure I have no personal interest in sustaining any bank. I never owned a dollar of stock in a bank in my life, nor do I expect to do so; but I have an interest in sustaining those measures that may benefit the people. Their interest is my interest, and my interest is their interest.

Mr. President, I know I have occupied too much of the time of the Senate; yet I offer no other apology than the importance of the subject: and, in resuming my seat, I return to the Senate my unfeigned thanks for the marked respect and attention which it has honored me with in this my first attempt to address it.

When Mr. SMITH had concluded—

Mr. STRANGE, of North Carolina, rose and said:

Mr. President: That our country is now in a most extraordinary and interesting crisis seems to be conceded on all hands; and the public mind is greatly distracted as to the causes of this crisis, its nature, and the course it behooves Congress to pursue under it. In this state of things, every man to whom a high trust is committed in relation to these subjects, and especially each member of this body, ought openly and frankly to offer his views and opinions concerning them. By public opinion all the measures adopted by Congress must ultimately be tested; and, that public opinion may have fair play, and our constituents an opportunity of judging of the fidelity of their representatives on every measure so important as the one under consideration, the reasons which have determined them should accompany their votes. It is this consideration that impels me to ask the attention of the Senate on the present occasion; for I know full well that I might as well address the marble pillars which surround us, as this honorable body with any reasonable hope of bringing conviction to a single mind. But I am solicitous that public opinion should be sound in the State which I have the honor in part to represent, and while I bring my own opinions in review before my constituents, I shall make an effort, feeble though it may be, to furnish them with the reasons on which they are founded.

I have said, sir, that three questions naturally arise out of this crisis. First, its causes, about which there is much contrariety of opinion. Many, resorting to the method so common with those who are determined to find fault, of using some general terms of censure, calculated to catch the public ear, and carry away the judgment, without presenting it with any distinct object upon which it may exercise itself, charge it to tampering with the currency by the Executive of the Union. This form of expression, like most others upon political subjects in use among us, is borrowed from England. It was freely used in that country during Mr. Vansittart's administration, when (as now with us) the paper currency being greatly inflated, an effort was made by those who saw the vortex of ruin towards which the nation was tending, to rescue it, with Mr. Canning at their head, and these were branded by the minister himself as tamperers with the currency. Experience, however, triumphantly vindicated the former, and convicted the latter of the rankest empiricism in matters of currency. Our modern politicians, not content with the use of the term as it originally came from the lips of the British minister, have degraded it to a more fit expression of their own bitterness, and called it tinkering with the currency, as if they sought to lower the Executive of their country to equality with the mean and contemptible employment of a tinker. Others come forward and boldly specify the measures of Government which, as they say, have produced all this mischief. Of this latter course no one can complain. It is a fair and manly mode of treating the subject. It appeals to the high and intellectual faculties of our nature, and not to our low passions and ignoble prejudices. I hope never to see the day when the measures of any administration are not to be arraigned at the bar of public opinion, and fairly tried by the people of this country, and approved and applauded, or condemned and abandoned; and, if either the past or present administration has made any false step, I care not how soon it is pointed out, and every man in the country made to see it.

The immediate cause of our difficulties, every one, I believe, admits to be an undue spirit of speculation and overtrading. But it is said that the Government itself has stimulated that spirit, and given to it its undue action. That such, to some extent, may have been the accidental effect of the removal of the deposites, and the consequent destruction of the United States Bank, in suffering numerous local banks to come into existence, which could not else have lived, and thus swell the paper currency, is not improbable. But, then, it is to be remarked that this would have been very inefficient without the co-operation of other causes much more powerful, which I shall notice presently, and with which there can be no pretence for charging the administration; and, besides, it was not the direct action of this measure adopted by the administration, but the conduct of the States themselves, in the exercise of their free, sovereign power, in chartering banks over which the administration could exercise no control, which armed the measure with all its supposed power of mischief.

The next measure which can properly be called an administration measure, to which mischief is imputed, is the specie circular; and I, for one, am altogether willing that the present and past administrations should be made fully responsible for it. If it be true (and no one, I fancy, can deny it) that the evils of the times are the offspring of speculation and overissues of banks, it would seem to follow that any thing which had a tendency to check these causes in the full tide of their action, must have mitigated the evils they were producing, and partially averted the catastrophe they were preparing. Surely the land speculations have contributed largely to the evils of the times; surely extravagant bank issues have stimulated, if they have not been the very food of, the land speculations, besides having been the parent of other great and numerous evils. Did not the specie circular check the land speculations? Did not the specie circular check the banks in their career of expansion? If it did not this it did nothing, and is an idle subject either for praise or censure. But it did this, to some extent, and in so doing effected good, and my only regret is, it was capable of doing so little. Its effects have, I believe, been overrated, both by its friends and its enemies.

I know of no other measure which can justly be imputed to the administration, and to which any effect can be ascribed in the production of the present crisis. But there are two measures, which I shall notice in their order, having vast efficiency in bringing it about. The first is the act of Congress, passed in 1834, for altering the relative value of gold and silver. This measure met, I believe, with favor from all parties. In the pre-existing state of things, we seemed to be yielding to other nations a portion of the gold which, of right, belonged to ourselves, and all parties pat-

riotically united in reclaiming our banished treasure, and cordially adopted the gold bill, as it is called. Nothing could be more specious than the advantages this measure seemed to promise us; and I will not say yet that its ultimate effect will not be beneficial. But its primary effect was to disturb that equilibrium which the currency had found under the existing state of things, and, like elevating or expanding any portion of a fluid body, the effect was that it came pouring over to find its level, and flowed freely into this country. Other causes were in action to promote this tendency. American stocks and American bonds were freely discounted upon in England, and, as the paper currency of England could not be used here, the proceeds came over in gold. This influx of gold, in place of occupying the channels of trade, which it must have done had they not been pre-occupied by paper money, flowed into the banks, who, as well from the natural struggle between their paper and the gold to occupy the aforesaid channels, as from the confidence with which the presence of the gold inspired them, continually expanded their paper issues, so that the more gold came, the more paper was thrown out to force it out of circulation and into the banks. Meantime the Bank of England found her specie leaving her, so that, from October 1, 1833, when it was £10,900,000, it was reduced by December 27, 1836, to £4,300,000: making a reduction in a little upwards of three years of £6,600,000; or within a little more than £300,000 of two-thirds of its whole specie. Well might the Bank of England become alarmed; and she did become alarmed, and refused further discounts for American purposes. What could be more productive of dismay to all connected with that kind of business than this determination of the Bank of England? Not only were expected future supplies cut off, but, as the natural consequence of the cessation of supply, return was demanded of what had been already furnished, at the first moment it could lawfully be done. Can any man fail to see in this abundant cause for the mercantile distress which followed? If there is any cause for wonder, it is that the distress has not been greater, especially when we look to another measure in this country, which must have accelerated the catastrophe and greatly added to its violence? This is the second of the two measures before alluded to, and is commonly called the deposite or distribution law.

This was no measure of the administration; on the contrary, the administration is known to have been hostile to it; but it was passed almost by acclamation by all parties in Congress, and received the unwilling assent of the Executive. Here is a cause adequate to have deranged the currency of the country in the most prosperous and tranquil times. It will be remembered that the opposition insist that the mere potential removal of the deposites of Government from one side of a street to the other, in the same city, (which deposites did not, at the utmost, exceed three millions of dollars,) was competent to the production of the utmost derangement and distress in the money market. What, then, must have been the effect of the removal of near forty millions from place to place; scattering it from one end to the other of this wide continent; subtracting it from those channels of trade where, by the laws of commerce, it had found its way, and forcing it where no channels were open for its reception, and where, consequently, they must be created by law, through schemes hurried into existence merely to find employment for the unexpected treasure? You find the States, in different parts of the Union, beset with devising plans for disposing of the money so unexpectedly poured into their laps, while those from whom it was subtracted are parting, as it were, with their very life blood to supply it to those who have no use for it. Meantime the money lies idle until the States have devised some plan for its absorption into the local circulation.

And do gentlemen rack their imaginations in search of causes, when one so adequate for the production of all the phenomena before us is so ready at their hand? And, when complicated as it is with the operation of the gold bill, as I have already presented it, is not the wonder rather that matters are no worse? But, when we bring these causes into union with the general causes which seem to have agitated the whole commercial world, beginning, I believe, in China and affecting all Europe, both continental and insular, nothing, it seems to me, but an anxious desire to find fault would seek for the causes of the crisis in the measures of the Government only.

But I believe, sir, that the foreign causes which have affected us, and those measures at home to which I have adverted, would have passed by us altogether innocuous, or nearly so, but for another cause. Gentlemen have only adverted to what the physicians call the exciting causes of the disease; they have overlooked the far more important and radical cause—an injury which has been suffered by the constitution of the patient, and such an one as has been far more instrumental in the production of the present crisis than all the exciting causes before noticed. The history of our country has presented in its brief course more numerous and interesting crises than other nations have done who could boast centuries of duration. This is probably the joint result of the rapidity of our course and the novelty of the political problem we have been engaged in working. Launched by the result of our revolutionary struggle upon the wide waters of an untried political sea, we were without charts, and the voice of experience was heard in no distinct accents to direct our movements. Nothing, therefore, was left to us but to exercise the faculties we possessed in drawing upon analogy for guides in our trackless way. But I pause to correct myself; we had a chart, the most clear and explicit that the timid or skeptical could desire. But, alas! not one of those to whom has been committed the helm of state has scrupulously steered according to its indications, but, trusting to his own sagacity, has given to the vessel a wide berth, regardless of consequences; and the result has been that, amid clear skies and smooth waters, some hidden rock or shoal, against which the slightest attention to his chart would have secured him, has brought up the astonished steersman in his confident career. But the vessel has proved staunch, and, with nothing more than a change of hands for the control of her movements, she has stemmed every difficulty, and pursued her gallant course, the pride of her crew, and the admiration of the world. The improvident steerage of its predecessors had thickened dangers around her, more numerous than those which beset the fugitives from the destruction of Troy, when the late administration came to the helm; it is not to be wondered at, therefore, that it could pursue no direct and onward course, but was compelled to adopt expedients to shun this rock, and escape that shoal, according to the circumstances in which it found itself. Yes, Mr. President, it is to departures from the strict requirements of our constitution, that the chief, if not all, of our difficulties as a nation may be attributed. It is true that disappointment and calamity are the lot of man, whether we view him nationally or individually; but, generally, if not invariably, the inquisitive mind may trace calamities to the sufferer's own neglect, or wilful transgression of the laws of prudence. Happily, in both cases, timely repentance is competent to defeat the worst consequences of transgression; and, if the troubles in which we are now involved shall bring us to a conviction of our errors, and to sober resolution to sin no more, they will have answered a most invaluable purpose, and arrested us in a mad career, before we have involved ourselves in irremediable ruin. Suppose no tariff for protection had filled our coffers with useless and dangerous treasure; no United States Bank had triumphed over the constitution and the currency it had provided; no systems of internal improvement by the General Government, with all its attendant extravagances, had been adopted; how invulnerable

should we have been to the evils of which we now complain! But all these things were done, and our constitution, for the formation of which the blood and toil of our forefathers had been so liberally poured out and expended, was fast becoming an unmeaning thing—a dead letter; but the present crisis awakens us to a sense of our present condition, and brings us to reflection. A literal construction of that sacred instrument which we have all sworn to support, is, in my humble judgment, the only rational ground of hope for our happiness as a nation, the only guaranty against the evils of anarchy, violence, and fraud with which we are threatened.

Having thus glanced at the causes of this crisis in which we find ourselves, I come next to consider briefly its nature. But yesterday we boasted of an overflowing Treasury, and were at our wit's end for a place into which it might pour its superfluous riches. Real property was in demand at most extravagant prices; labor was high, and the products of the soil repaid to their hearts' content its industrious cultivators. Our merchants were daily becoming millionaires, rivalling in splendor and luxury the princes of lands where that title may be borne. Suddenly, as though smitten by the hand of some offended deity, or as if all that we beheld was a fairy fabrication, dependent upon some dissolving spell, the whole scene is reversed. Our bloated Treasury has collapsed; the millions we were beseeching somebody to keep for us have disappeared, and the public creditor applies in vain for payment in the constitutional medium. The possession of real estate but marks the poverty of him who owns it; the laborer is without employment, or toils for half his accustomed compensation; our products linger upon our hands, a prey to corruption and the moth; and our merchants send forth one universal wail from Maine to Florida. These are the gloomy features in the crisis, and by many they only are seen in their unmitigated darkness; but to me there are gleams of the most cheering brightness gilding the gloom, and, like the struggling rays of the sun upon the dark cloud of evening, come to the heart reflecting promises of hope and joy for the approaching morrow. The crisis is full of assurance that the wounds of the bruised and battered constitution will be healed, and that, stripped of all the extraneous appendages which have obscured its beauty and simplicity, it will be restored to its legitimate control over the affairs of this nation. So far as the Executive is concerned, he makes to us the declaration that the constitution will, in its literal simplicity, be the standard of his actions; and it remains for the two Houses of Congress to decide whether they will stand by him in the noble resolution. I trust they will, and, in that trust, I feel that this crisis is one for any thing but despair to the heart of the patriot.

I have now adverted to the causes and nature of the present crisis, matters in themselves of little consequence, and altogether inadequate to the time they have consumed, except so far as they may assist us in the determination of the third question, namely, what it behooves us to do in the present exigency. The evils we have seen are twofold: first, to the United States Government as a body politic, affecting its vital principle, the very current of its existence, its fiscal soundness; secondly, to the individuals, or some of them, composing the nation, in blasting their present pecuniary prosperity and their hopes for the future. These it behooves us to consider with a due sense of our responsibilities, and, if in our power, to provide for them a remedy. And here permit me to remark that the President has been most unjustly accused of having recommended nothing adequate to the occasion; of having indicated no relief for the sufferings of the people. Will no relief be found, I ask, in the emission of $10,000,000 in Treasury notes to be thrown into circulation? If the want of a sound circulating medium be part of the distress, will it not be thus supplied to the amount I have mentioned? And will it not be farther beneficial in infusing more vigor into the whole mass of the circulating medium, in increasing the proportion of undepreciated currency to that which is already depreciated? Is there no relief in extending for four, six, and nine months, the credits upon the duty bonds? Is there no relief in giving to the deposite banks additional time for settling the balances they owe? Let not gentlemen say, because the relief does not tally with their own unreasonable expectation, that therefore no relief at all has been extended. Great relief has, in my humble judgment, been afforded, and all that I think could in reason have been asked. But our first inquiry is, what it behooves us to do in reference to the revenue. And it is evident that the first thing is to make immediate provision for the supply of the exhausted Treasury, and put aside such claims as, in the present state of things, ought not to be made upon it. This, so far as the action of this House is concerned, has already been done in the passage of the bills for the suspension of the fourth instalment to the States under the deposite law, and the emission of the $10,000,000 in Treasury notes, as before mentioned; and it is next to be decided what course shall be taken to avert, if possible, a recurrence of the present catastrophe to the revenue. For this three plans are presented to our consideration: First, a national bank; secondly, a continuance of the present deposite bank system, with some modifications; and, lastly, the plan recommended by the President and Secretary of the Treasury, and proposed by the Committee on Finance, of an independent Treasury. The first of these has probably but few advocates, and has not been distinctly brought forward by any one, but we well know that the anxious eyes of some of this body are turned to it as the panacea, the great catholicon, for all political disorders—as the only instrument through which the country can be saved; and we have heard as much from the gentleman who has just taken his seat. But to this measure many objections present themselves: First, public opinion is, as I believe, decidedly against it, and that, as I have already said, is at last the test to which every act of this body must be brought. Secondly, the present Chief Magistrate of the nation stands solemnly pledged against it, and must, of necessity, veto a bill for its establishment, even if a majority of both Houses of Congress could be induced to unite in its passage; and no one has the rashness to assert that it is to be spoken of as a possibility that two-thirds of these bodies would concur in overruling the President's veto. Thirdly, such a law would, in my humble judgment, be in conflict with the constitution of the United States. Tell me not that the contrary has been settled by authority. The simplicity of that instrument was never designed to be marred by the comments of the learned upon it. It was intended for the perusal of the plainest man in the country, and that he should understand it without any farther help than a knowledge of his vernacular tongue. Tell me not that in process of time the readings upon it are to be so multiplied, that, instead of a pamphlet of a few pages, volumes must be read to find out its meaning. No authority for a United States Bank is to be found in the language of the constitution; and I, for one, will listen to no sophistical refinements which may seek to place it there by inference. Fourthly, such an institution is altogether inexpedient, and totally inconsistent with the healthful action of our political system. As well might we expect the globe we inhabit to pursue the orbit marked out for it by the hand of its Creator, should some mighty comet come within the sphere of its attraction, as that our political system should quietly perform its proper functions with such a *magnum imperium* within its *imperio*. There is another reason urged with great force by the Senator from South Carolina, who sits near me, and that is the triumph which would thus be

achieved by the bank over the Government. The attitude assumed by that Senator in relation to this whole subject, is one of high moral sublimity, in which he has nobly sustained himself, both by his matter and his manner; and the argument coming from him, that he would not yield to such a triumph over the Government of his country, is an argument which does credit to the heart which conceived, and the lips which uttered it.

The second plan is the one proposed by the Senator from Virginia, to which he will not find many supporters from any real regard to the plan itself; and if he succeeds in procuring its adoption, it must be through the instrumentality of those into whose motives it does not become me to inquire. But as that Senator has addressed his old friends, he will allow me in their name to address him in return, and to warn him that when with foreign aid he shall have succeeded in beating down his old allies, it will not be long ere he will hear the shout of triumph from the marble palace at Philadelphia. We would gladly, if we could, make common cause with him upon the ground he has assumed; but believing it untenable, we have retreated within the ramparts of the constitution, and should they be battered into fragments about our ears, and we ourselves prostrated and vanquished, we will still cry out "Live the constitution! live the republic!" I have said to the Senator from Virginia, that we think his ground untenable, and now proceed to offer some of the reasons for our so believing: "Thou hast been weighed in the balance and found wanting," was a portion of the sentence written by the fingers of an unseen hand upon the wall, against the King of Babylon, which caused that monarch's knees to smite together, and the sounds of guilty revelry to cease; and with great emphasis may we address the same language to the deposite banks. This the Senator from Virginia denies, and insists that the experiment has not failed. What would that Senator call a failure? Does he require that their buildings should be razed from their foundations, and made a heap, and that their piles of paper money should be committed to the flames, before he will acknowledge that they have failed? When a merchant in any mercantile community neglects to meet his engagements with punctuality, who pretends to question his failure? But these banks have not only failed to meet their engagements, but have flatly declared their determination not to meet them until it suits their own perfect convenience. What has brought us to our present condition but leaning upon these broken reeds? but imprudent confidence in these faithless agents? Should we have experienced any difficulty in meeting our fiscal engagements if they had, in fulfilment of theirs, promptly paid up the drafts of the Treasury upon them? Would the merchants have found any difficulty in paying up their duty bonds, had the banks, by redemption of their notes, preserved to them a sound currency in which to comply with their obligations? The application of the merchants for indulgence is based upon the ground that their inability to make payment is entirely owing, not to the want of funds, but of such funds as the Government would be willing to receive. Where is the individual who, having trusted a private banker with his funds, would trust him further, after his suffering draft after draft to come back dishonored, declaring publicly that he had the money to pay with, and justly owed the debt, but that he did not think it his interest to do so, nor would he do it unless his depositor would make arrangements with all persons in whose favor he should draw, to take the banker's own notes, and consider them as payment? Motives of friendship or of policy, or facility of disposition in a private individual, might induce a continuance of the trust, after it had been thus abused, upon proper concessions, and a reasonable assurance that faith would thereafter be kept. But are the depositaries of a nation's faith—the trustees of a nation's wealth—to be moved by such considerations to lend a credulous ear to such promises? We have had such promises already, and have we any security that they will in future be more faithfully kept? Have not the banks pleaded the tyrant law of necessity to excuse their fault, and will necessity be less imperious in future than we find it now? It is folly to expect it. But while the Senator from Virginia is in one breath denying the failure of the banks, in the next he is offering apologies for that upon the existence of which he is vainly striving to close his eyes. He attributes it in the first place to some great mysterious convulsion, which he does not attempt to define, and which he assures us is never likely to occur again. Next, he refers to the deposite law and the specie order, as furnishing sufficient apologies for most eccentric movements in the pecuniary affairs of the country. But chiefly he imputes the failure of the banks to the withdrawal of the confidence of the Government, and insists that its restoration is all that is wanting to set all things right. But how, I would ask, is confidence to be created where it does not exist? Like love, and hope, and fear, it must be the spontaneous offspring of the bosom it inhabits. As well might the assassin, in a paroxysm of penitence, seek to rekindle the spark of life in the body of his victim, as this or any other legislative body to restore confidence to existence, after it has been murdered, either through accident or design. But grant that we could, by the fiat of this Legislature, wake up confidence to renewed existence in the bosoms of the people, ought we to do so when we ourselves have not confidence? Would it not be a legislative fraud? Could we say to them, You ought to have the most implicit confidence in these banks as perfectly safe depositories of your wealth; as sound regulators of the commercial affairs of the country; as prudent circulators of paper which they have at all times the power to redeem; unless we ourselves felt this confidence? And do we feel it? I for one must confess that I do not, and would be putting my signature to a solemn falsehood were I to say that I did. The Senator declares that the only reason why specie payments were maintained in England and suspended in this country is, that in the one confidence was sustained by the Government, and in the other prostrated. I have no hesitation in admitting that, but for the failure of confidence, the banks in this country could have maintained specie payments longer, and that the failure of confidence must necessarily precede the stoppage of specie payments. But the true question is, not whether confidence existed or not, but the causes of its failure or continuance. Now, it is manifest, as I conceive, why it continued in England, and perished in this country; not, as the gentleman supposes, by reason of the different action of the two Governments, but on account of causes which had passed beyond the reach of control from either Government.

Nature, by mysterious and immutable laws, has connected causes with their effects; and one is followed by the other with all the certainty of the revolving year; and he who finds a cause adequate to the production of a given effect followed by that effect, may fearlessly conclude that the latter is the effspring of the former.

It is equally a rule of sound philosophy, that nothing which does not in its nature appear adequate to the production of a given effect, is to be taken as its cause, however immediately it may precede it. Now, what act of the Government was adequate to the destruction of confidence? The most that can be said is, that some of its acts may have been calculated to enfeeble, but not one can be pointed out adequate to its destruction. But there are two causes immediately before us, sufficient, as I think, to account for the different effects upon confidence in the two countries when alarm was excited. The first is, that England was a creditor country, and this a debtor country. The debtor could never draw from the creditor against his will, while the creditor had a right to draw upon the debtor to the ut-

termost farthing of his indebtedness. When, therefore, alarm was excited, the Bank of England had nothing to fear but from her own citizens; while, in this country, the banks were threatened with a drain from England as well as from their own countrymen. Standing as a creditor, the Bank of England was receiving more than she was paying out, and every day her situation was continually growing better; and if she was able to meet the engagements of to-day, she would be still better able to meet those of to-morrow. Not so with the American banks; theirs would be drain without replenishment; and, looking before them to a vast chasm yawning for the reception of their specie as fast as they could tell it out, despair seized upon them, confidence expired, and they refused to engage in a work in the accomplishment of which they must perish. Grant, say they, I am enabled to meet the engagements of to-day; those of to-morrow will be still more numerous and importunate. The balance of trade will give to our riches wings by which they must fly across the Atlantic, and be no more seen. We will take our stand at once, then, and not voluntarily pour out our own life-blood; but if it is taken from us, let it be by some slow and lingering process which will prolong our existence until some providential or fortuitous circumstance may interpose to save us from destruction. What more could be desired to account for the different course of the banks on the two sides of the Atlantic? But yet there is another circumstance, which, as a co-operating cause with the other, doubtless precipitated the stoppage of specie payments in this country, which had no existence, and, consequently, could have no action, on the other side of the water. The Bank of England is alone—a unit, an autocrat. She had but one will to consult, and that will could act at the critical moment when its action might be necessary. She could continue to pay out her four millions of specie until the last million was invaded, and then, if she thought it expedient, could cry "hold! enough!" But the banks in this country were legion; with them it was a Bladensburg race, each afraid that the other, in the struggle for specie, might exhaust its store, and crush it for ever; mutual fears prompted mutual forbearance, which could only be granted by a general stoppage; and the impatience of each to escape from the danger that threatened it, hastened a catastrophe which might otherwise have been longer deferred, if not altogether avoided. But whatever apologies may be offered for the failure of the banks, they have failed, signally failed; and if, as has been strongly remarked by the Senator from South Carolina, it be folly to try untried experiments, it is madness to repeat those which have already failed.

But if we shut our eyes to experience, we must be deaf also to the lessons of sound theory, if we adopt the system proposed by the Senator from Virginia. Not only have the banks failed, but the principle of failure is incorporated in their very natures. The system of banking, as practised in this country, never can be safe until it is radically altered. The best of them issue from two and a half to three paper dollars for one of specie, and some have even gone as high as seven; and as long as the physical laws of nature continue to act, it is manifest that the banks must depend upon the whim, the caprice, the hopes, the fears, the clemency, if you will, of their bill-holders, for their existence. And can that depository be deemed safe which carries within it such elements of self-destruction? But let us look a little farther. The banks will not take your deposites upon any other condition than that of predicating upon them a circulation of their notes. How, then, does the case stand? They take your deposites, and promise you to return them whensoever demanded; but at the very same moment they issue notes to twice or thrice the amount of their promise to you, by which they engage to pay to A, B, and C the identical sum they have promised to repay to you. And does not every one see the utter impossibility of their meeting three or four different engagements to pay the same identical money? What, then, are they doing but running the gambling risk that they will be called upon for but one of these sums at a time? But we are told, when they issued their notes to A, B, and C, they took in exchange A, B, and C's notes, well secured, for a like sum. Grant it to be so; and that A, B, and C's notes are certainly ultimately good, is it not manifest that A, B, and C's notes are on time, and are not immediately convertible, and, in fact, that they would not be given but on time, while the notes of the bank are payable the moment they are issued, and all three sets might be immediately demanded? And why should they not be? The gambling hazard is taken that they will not. But, furthermore, is it not perceptible that this increase of the circulating medium must greatly increase the nominal value of property, and that property holders will thereby acquire a false reputation for wealth, which, acting upon themselves and others, must lead them into speculations which, upon any sudden denouement of affairs, bringing property to the specie standard of value, (and even below it, from the sudden panic produced,) will leave the banks not only unable to meet promptly the demands of the depositor, but even, after a great lapse of time, able only but partially to return the principal sum?

The banks have not only failed, then, but from their very nature are prone to failure; and a still further objection to the plan proposed, is drawn out of the natural liability of all the banks in the country to be operated upon by any cause injuriously affecting one. So that, however scattered your treasure may be, the same fell swoop which robs you of it in New York, does the same for you in New Orleans—the same reversed alchemy which converts your gold and silver to inconvertible and worthless paper in the one city, does so at nearly the same moment in the other. Your loss is not partial, but comes upon you in one sweeping desolation.

Aagain: if the misfortunes before referred to were most likely to happen at those times when the Government could best bear disappointment, it might be less imprudent to encounter the hazard. But the reverse precisely is the case. It is in times of difficulty and public distress, when the means of replenishing from other sources the failing supply of the revenue are cut off, that the banks will be most likely to disappoint you in their engagements. A war, for instance, is foreseen, and the Government has been hoarding its revenue to meet the exigency. It has laid up its millions in the deposite banks, and is only waiting until they have accumulated sufficiently to proclaim defiance, and chastise the insulters of the national flag: it is done. The cost has been counted, and it has been found that we have money enough and to spare for the projected enterprise. The star-spangled banner is given to the breeze, and the heart of every American is bounding with the pride of country. But, alas! the treasure upon which we had counted is deposited in the banks, and they have discounted freely upon it. War and commerce cannot go together, and commerce is the sole stay of inflated credit. Bill-holders become alarmed; and each one rushes in with breathless haste, fearful of being the last to present his claim. The banks, in their best condition, can do no more than pay about forty per cent. upon their circulation; and their specie, of course, must be immediately swept, or they must take a determined stand, and refuse payment. In this state of things, the Government draws upon the banks for some large sum to pay for the outfit of her army and her navy. The banks offer it in paper; but this will not answer, and they have nothing else that they are both able and willing to give you. I leave imagination to finish the picture.

The banking system, as practised in this country, is, in my judgement, one vast bubble; and it is not improbable

that those now living will witness its bursting; and when the explosion has taken place, as, without reform, at no very distant day it must, the men who succeed us will look back upon our present infatuation with as much amazement as we do upon that of the adventurers in the South Sea scheme.

But I object farther to the plan proposed, on account of its tendency to place the Government in the power of a party. You have seen the natural effect of a foreign war upon commerce and the banks. Is it to be expected, then, that a commercial community could be calculated on as friendly to a war, even when necessary and just? I am the son of a merchant, and it cannot therefore be supposed that I would willingly cast reproach on the tomb of my father. I should be recreant to all the best feelings of the human heart were I to deny to the merchants, that intelligent and worthy class of citizens, all the commendation they may so justly claim. Among them still live some of the best and dearest of my friends; but still they are frail humanity; and who is there that can wish his interest and his duty to be brought in collision? It is in mercantile communities chiefly, if not altogether, that banks are to be found, and in these, under the deposite-bank system, your treasure must be placed. A war is thought necessary, but the interests of a mercantile community are opposed to it; and how easily therefore would they persuade themselves, as many of them did in the glorious strife of 1812-'15, that it was unnecessary, unnatural, and unjust; and how naturally would they unite themselves with that opposition which is never inconsiderable in any free country? Money is the sinews of war, and with how little trouble might an opposition cut those sinews at the very moment you were about to make use of them, by causing the deposite banks to suspend their payments? And ere a sense of their country's honor, and the danger of their fellow-citizens could triumph over their calculations of interest, and awaken that patriotism which was overlaid but not extinguished, the nation's flag might be dishonored, and her enfeebled army cut to pieces.

But a yet stronger objection than all that have preceded it, and that, indeed, upon which they mainly depend, is the difficulty of compelling these corporations to perform their engagements should they choose to neglect, or find it inconvenient to meet them. He who expects them punctually to meet their engagements, might as soon look for the rain to descend upon his thirsty fields at his bidding. The absolute control of wealth is essential to its enjoyment, either for a Government or an individual. That man is poor, and poor as winter, who calls countless millions his, which are yet beyond his reach, while hunger and thirst pinch him, and the inclement seasons beat upon his defenceless body. No man in his senses would willingly place himself in this situation; but yet it is precisely the predicament in which the Government is asked to place itself. What means have you to compel an unwilling corporation to surrender up its hoard? Do not reason and experience unite in teaching us that, as corporations are constituted and treated in this country, sums deposited with them, are placed measurably, if not absolutely, beyond the control of the proprietor? Look to the United States Bank, the creature of your own hands, and, therefore, as was once vainly imagined, subject to your own control. But you found yourself in your attempt to control it in the situation of the hero of one of Goodwin's novels, (Faulkenstien, if I mistake not in the name,) who, having acquired some magic power, created a monster, and infused into him the Promethean spark. He doubted not that the same hand which had created, could control. But that position is true in reference to one Power only. The monster of Faulkenstien turned upon his creator, and compelled him to fly for his life. In like manner did the creature of your hands defy your power, and continues to defy it, holding on with the grasp of death to the treasure you have vainly striven to wring from it. With how much better reason, then, can you calculate on effectual control over lesser monsters which you did not create, and have no right to destroy? The truth is, they have already defied you, and you find yourself powerless before them. They have defied the true majesty of the country—its whole people. And have you still the vanity to suppose that, with powers so properly restrained and circumscribed as yours, with strength, gigantic as it may be, bound and shackled in the massy fetters of the constitution, you can bend to submission that which has defied the untrammelled might of the body from whom you derive the whole of your strength? But grant to yourself, if you please, power as extensive as you can well imagine, the laws of nature must be yet stronger than you, and these the banks, as constituted, will always be enabled to bring in conflict with you; nay, even to induce your own masters—those in whose breath you live, and move, and have your being, to array themselves against you for that brief and critical moment which embraces the main issue of such a struggle. For example: by extensive discounts and emissions of its paper, a bank may create such a demand upon its specie funds as to sweep them in a moment beyond your reach, and thus anticipate any process of seizure you can possibly devise, and leave nothing for you to reach, but irredeemable paper. Nay, even with issues at the most prudent rate, it might find its interest in the expenditure of its whole specie in the purchase of stocks, or other paper, not immediately convertible, and with the innumerable agents it could command, in the most secret manner convey it away while you were demanding payment, and thus foil you by that inflexible law, that impossibilities can be wrought by no man; that payment cannot be forced from him who has parted with the means of payment. But grant that the specie remains in the bank, as now, and its managers should deem it inexpedient, as now, to use it in the fulfilment of its engagements; by the use of no other art than that already so successfully practised, by interweaving with its own the pecuniary interests of the vicinity in which it might happen to to be placed, it could cause every member of that community to spring forward as one man in its defence, and manly bosoms and warm hearts, excited and misled for the occasion, would present a living wall, over which you would not pass, if you could, to get at the insolent corporation defying your just clams. Did you not hear the Senator from South Carolina over the way, telling us a few days ago of the ramifications, not of the branches only, but of the roots also, of these institutions, penetrating as those of a tree do the natural soil, the whole ground of individual interest; tearing and subverting it wheresoever they are touched? What, then, must you expect, when you shake them for fruit, whether full or empty? What agitation, what commotion, what confusion, will you make, when time shall have given to these roots a yet wider spread and a firmer hold? When you have fixed chains upon the viewless winds, and dragged them in triumph at the wheels of your chariot, then may you find the power of controlling corporations, after you have trusted them, without violating and trampling under foot principles held sacred in the hearts of the American people. You stand in an attitude with these corporations, like that of a man who is engaged in strife with a woman; he may have the physical power to subdue her in a moment, but there are moral barriers stronger than any brute force, which surround and protect both the one and the other, and secure to them the victory in every contest. A wise man carefully avoids placing himself in the dishonorable and unprofitable belligerancy before mentioned; and there is a similar chapter for us in the book of prudence. Neither will your boasted machine of a bankrupt law, such as has been proposed, avail you in the strife. It is not often that I differ from the Senator

from Missouri, or the present Chief Magistrate of the nation, but I am compelled to say that, according to my present belief, no such bankrupt law as the one proposed, can be constitutionally passed. Congress has power, under the constitution, to establish uniform laws on the subject of bankruptcies throughout the United States; but its power is limited to the passage of uniform laws. It admits of very grave question whether any law can be considered uniform which is limited to particular classes of such persons as may be the subject of it. I know that it is insisted that bankrupt means, *ex vi termini*, a broken bank; and perhaps that may have been originally the sole use of the term; but I am induced to believe that in the construction of language we must take the one we now speak, as understood by those from whom we have derived it, our Anglo-Saxon ancestors. At any rate, we must look to the signification of language at the time it was used in the instrument to be construed, and we well know that at that time all persons who dealt on credit were held to be liable to bankruptcy; and, unless all such persons were made subject to the law, it might well be questioned whether it is uniform. But even if we allow that a law would properly be called uniform which contained the same provisions for every State in the Union, still, being a debatable question, it would excite the public mind; and in favor of the banks, the law would be rendered powerless by public opinion. This, then, is a mechanical power upon which you cannot rely, and none other is left to aid you in coercing the will of those corporations to the performance of duty.

I have thus suggested some of the objections which present themselves to my mind, to two of the plans: and the question may be asked—and it is proper it should be answered—whether any of them apply to the third and only remaining alternative measure? and my response is, no. It is not, like the United States Bank, at war with any declaration of public opinion. To that ordeal it is yet to be submitted, and I am well content that it shall be brought to so just a standard, and that it shall be pressed no longer than it is found in accordance with it. It has no hostility from the Executive to encounter; for it is his own offspring, and he stands pledged to give it a fair chance for existence. It implies the assumption of no powers not clearly granted by the constitution; and whether expedient or not, is the only question for which, I trust, before I have finished, I shall have succeeded in making at least a show of probability. It has never failed; for, so far as this Government is concerned, it is yet a matter of trial, and we are doomed to hear, in relation to it, the cry of experiment! experiment! experiment! until the ear aches with the sound. Like every thing human, it is liable to mal-administration, and of course to failure; but it carries within itself no principle of inevitable fallibility, like the banking system. Scattered as your treasure will be, under it, from one end of the continent to the other, it will not be likely to meet with any co-extensive agent of destruction; and, although some inconsiderable rill may be dried up here and there, the great river of your revenue will be supplied from others, and flow on copiously and freely. Times of difficulty will not disappoint you in the use of your fund in hand, for it will be in the solid metals—the most unchangeable and indestructible of sublunary things—and therefore so fitly chosen as standards of value. Being in the hands of the immediate agents of the Government, no party combination can be strong enough, without an actual revolution, to divert it from the use to which the people, through their constituted representatives, shall think proper to direct its application, and thereby subject those representatives to other domination than that of the will of their constituents, constitutionally expressed. Neither can any great difficulty be interposed by those who may be your depositaries, in the way of delivering it up. There will be no middle man to stand between the actual custodier of the money and responsibility; there will be no community to back him in contumacious refusal to comply with his duty; no real or fancied inabilty to meet your demands can be offered in extenuation of neglect; no honest men, unconsciously enlisted by interest, by gratitude, by innumerable insidious appeals to ardent natures, be induced to step forward, and oppose their bodies to the execution of the laws. No party spirit can be rallied in behalf of the delinquent. No shout of party triumph will be heard to animate his soul to bold defiance; but he will stand alone, a conspicuous mark for that approbation which fidelity is sure to win, or the sober condemnation which is as certainly visited by enlightened public opinion upon a faithless or factious public servant.

The plan is recommended to us by its simplicity, according in this with the whole genius of our institutions. One main object of our political forefathers was to deprive Government of all that mysticism with which kingcraft had invested it. It was intended that our system of Government should be so simple that every citizen (as all take part in its action) should be capable of comprehending it; that whosoever could read, or hear read, our excellent constitution, should understand its meaning, and be able to judge of the fidelity of those to whom its administration was committed. The simplicity of this plan, then, is in beautiful conformity with the rest of the system of which it is intended to constitute a part.

But it has the decision of time in its behalf. For aught we know to the contrary, it has been substantially the practice of all Governments, except our own, up to the present day. To various modifications it has doubtless been subjected; but, even in England, wide space is kept between the exchequer and the bank.

The perfect accessibility of the Government to its proper funds is a circumstance against which it would take much to weigh with any prospect of overbalancing it. Yet objections have been urged to the plan, and it is proper we should consider them. And, first, it is said the revenue will be exposed to peculation much more than it is at present. Why so? It is pertinently asked by the President in his message, do vaults become less secure in a Treasury Department than when located in a banking house? And it might have been also asked, do men change their natures less from becoming officers in a bank than in the employment of the Government? Surely the same securities can be provided in the one case as in the other. Nay, is not the advantage on the side of the Government? There is no limit to the penalties you may impose upon an unfaithful public agent. You may bind him hand and foot, and cast him into the most loathsome dungeon; and, if that be not enough, you can doom him to a felon's death; fasten upon him a stigma which will not leave him even in his festering shroud, but cling with relentless hold to his children after him. It is true, you cannot make men honest by legislation, but you can make it so obviously their interest to be so, as to enable them to overcome the temptations which beset them. It is the hope of escaping detection, for a length of time, and thereby increasing the probability of escaping altogether, that most commonly sustains men in the perpetration of deeds of fraud; but in the present admirable system of accounting with the Treasury of the United States, detection would be likely to follow so soon upon the commission of the offence, that little inducement would be found to engage in it. If it is to be received as a settled truth, that men cannot be trusted with money under any of the sanctions which the law is able to impose for its safe-keeping, we may as well make up our minds to abandon civil society at once as an impracticable absurdity. But the Senator from Virginia insists that experience is against us, and cites an instance from his own State, where high character and reputed integrity in the officer, had not

been sufficient to protect the public treasure; but instances might likewise be cited, were I disposed to do so, where defalcation had taken place where it was the custom to make deposites in a bank, which custom was enforced by law. There is less danger, it is said, to the public under the banking system, although the stockholders may be exposed to the losses which would have otherwise fallen upon the Government. In answer to this, I say, in the first place, there never has yet been a winding up of the transactions of the Government with the banks, so that it is impossible to say what have been its losses; but granting the position to be correct, I answer further, that, in a national point of view, one evil is nearly as great as the other. But, after all, the same officers whom you are now required to trust with the collection of the money, and whose honesty must, of necessity, be subjecetd to that test, are those who, under the plan proposed, would be its depositories, and but little additional demand would therefore be made upon their integrity. Yet, for the sake of the argument, let it be conceded that each particular portion of the public Treasury would be subjected to some additional hazard; it seems to me altogether indisputable that the aggregate would be infinitely less exposed to be lost, or rendered useless; and who is there who would not be willing to put a portion of his estate in greater hazard, to render the balance more secure, or even to make an absolute loss by paying an insurance? This consideration alone is, I think, altogether sufficient to dispose of the argument.

I am glad to find that no gentleman has in debate seriously relied upon the additional expense to which the sub-Treasury system, as it has been called, would subject the nation; but it has been adverted to in the newspapers, and we may perhaps yet hear it on this floor. It is shown to be very inconsiderable; and, even if it were much greater, the advantages proposed are nothing, if that expense, in being weighed against them, would not be as a feather to a pound weight.

The Senator from Virginia objects to the plan proposed, on account of its tendency to produce another charter for a United States Bank. In the deprecation of such a result I will most cordially unite with that gentleman; but I differ with him altogether in his anticipations of the *modus operandi* of the two plans upon the public mind. I can see in the plan to which he clings with so much tenacity the most direct tendency to the re-establishment of that institution so odious to us both. Let the maxim once be settled that the fiscal concerns of this Government cannot be managed without bank agency, and the blade of wheat does not more certainly spring from the grain deposited in the earth, than a United States Bank will spring into being from that maxim. Every one must see, every one will come to see, that if this bank agency be necessary, a bank deriving its existence and form, and the law of its action, from the Government which uses it, must possess advantages over every other, and the constitution will be moulded to meet this conviction. But the direct tendency of resorting to an independent Treasury will be to impress the public with the belief that the Government can manage its affairs without a bank. If the plan operates successfully, this belief will gather strength from day to day, and anti-bank habits become established, while these institutions, deprived of the stimulus which the Government deposites have ministered, will gradually diminish in number until they become apportioned to the real commercial demands of the country. At the worst, should our scheme fail, it will merely bring us back to the position that bank agency is necessary for conducting the fiscal concerns of the Government, and we shall only have reached that degree of approximation to a United States Bank at which the Senator from Virginia sets out.

It is objected to the plan proposed, that it will increase Executive patronage. With a certain class of politicians this has been a matter of vast alarm, and they have become so much accustomed to associate with this expression certain most deplorable incidents, that they can never hear it without having this horrible array presented to their imaginations. Now men are exceedingly prone to mistake names for things; and although there is something very imposing in the name of patronage, yet I am vastly mistaken if the Executive patronage of this Government is not to him who wields it a principle of weakness rather than of strength. For every one on whom it is in his power to confer an office, ten greedy expectants are disappointed, and feel that some great personal merit has been overlooked in them, or some important service ungratefully forgotten. How can one admire and support the man who has so little discernment as to be blind to one's merits, or so little heart as to be insensible to the zeal and devotion with which one has advocated his cause? And, what is still worse, it is by no means certain that the prizeholder will be true to his allegiance. So far as my experience goes, in a large majority of cases, a man no sooner receives an appointment than he becomes adverse to the administration from which he received it. This, at the first blush, may seem a little remarkable; but our wonder diminishes when we advert to the deceitfulness of the human heart, and find how large a portion of it is in the quiet possession of personal vanity and pride. Generally speaking, the incumbent has reached the acme of any reasonable expectations he could form; and hope, therefore, no longer keeps him steadfast with promises for the future. There is nothing then but the fear of removal; and this power of the Executive is watched by the public with so much jealousy, that few are willing to exercise it without some apparent and satisfactory reason. The mere change of political opinion will seldom do for a reason, and is therefore seldom relied upon. The danger, therefore, is just enough to enable a man to take credit to himself for great independence, who can say, "You see I am an office-holder, but that does not hinder me from differing from the Government, and finding fault when I see occasion." And what is there human with which one cannot find fault who has fame or any thing else to gain by so doing? But, granting that the patronage of the Executive was an available means of increasing his partisans, how much more efficient could that means be rendered through the instrumentality of the banks, than when brought directly to bear upon the individuals who might be applicants for office, as is urged, with great force and propriety, in the President's message. But this brings me to a view of the subject, startling, in the highest degree, in the contemplated continuance of the league of banks in connexion with the revenue of the country. At present the President and the money power of the country are in opposition, and happy will it be if they always remain so. But do you not see that the system proposed will have the tendency in the end to bring them to co-operation and alliance? Parties in this country may be subdivided as you please, but the grand distinction at last is that between those who are in favor of a strong and splendid central Government, absorbing all the sovereign powers once possessed by the States, by the most liberal and enlarged construction of the constitution of the Union, and those who are in favor of a limited and economical Federal Government, exercising no more powers than those expressly conferred by the constitution, and leaving all beyond to be exerted by the States. To the former of these, the mercantile classes, comprehending nearly all the moneyed power of the country, will generally be found to belong; and, if you want a proof of this, you will find it in their habit of looking up to this Government as the great *parens patriæ* in all emergencies, as on the present occasion. Accustomed to handle large sums of money, which they accumulate without much bodily toil, living in ease, and splendor not enjoyed by any other

large class of community, the common principles of human nature incline them to aristocratic feelings. From whence, I pray you, is the failing aristocracy of England replenished, but from the mercantile classes? acquiring by their wealth consequence, and purchasing therewith baronial estates, the title in some way or other frequenly follows. From the beginning of history to the present day, merchants have become princes, and constituted the aristocracy of their respective countries. Now, one of the dangers to which our institutions are exposed, and that of which many politicians feel, or affect to feel, the greatest dread, is from Executive usurpation, ending in the assumption of regal, imperial, or dictatorial power. To this, while the moneyed power of the country is adverse to him personally, it will present a most formidable barrier, and in its bold struggle in defence of its own liberty, will secure that of the whole nation. Who contributed so much to curbing the regal power in England, and placing the liberties of the people upon a firm basis, as the merchants of London? Mankind must ever be their debtor for their noble efforts in favor of free principles. But a President who would desire to make himself a monarch would seek to surround himself with an aristocracy devoted to his will; and where would he so naturally seek for one as in the moneyed power of the country? while, at the same time, by using it, he would be disarming the very opposition to his plans from whom he would have most reason to fear a defeat. But, stopping far short of that, in the nature of things, we might suppose the Executive of the country well disposed to give vigor to the central Government, and a union between him and the moneyed power of the land would, in the pursuit of such common design, go very far in its accomplishment. I believe the strife between the two great parties in this country one of the best securities for the liberties of the nation, and I do not desire that it should ever cease. Nature and art, in all their operations, proceed upon opposing to each other antagonist principles: the ship makes her way towards her destined port by means of the antagonistic action of her rudder and the wind; and the wise politician in this country will not desire to see a union of interest between the Government and its great moneyed power. Rather let them be kept in direct op position; and never let them be brought into united action.

Another objection which has been urged against the plan under consideration is, that it would be a virtual surrender to the Executive of the purse; and the old cry is raised of the union in the same person of the purse and the sword. Upon this point I have only to say, if it be so, it is the fault of the constitution itself. By it, only three classes of public agents are recognised—the executive, the legislative, and the judicial. The latter is out of the question, so far as the present matter is concerned; and, as respects the legislative, it is sufficient to say that it was never intended its sessions should be perpetual; and when those sessions are dissolved for any purpose of immediate action, the Legislature has no existence. Meantime the treasures which it has raised must be in the custody of some branch of the Government; and, from what has been already said, this can be the Executive only. No fourth estate, no bank power, is created or recognised by the constitution for this purpose, and its provisions are only fulfilled when the revenue goes into the hands of the Executive; but, under the name of the Executive, it is the President only who is pointed at in the expression of fears for the possession of the purse. And why should such fears be entertained? The President would be as far removed as now from any personal contact with the public treasure. The machinery is now in operation (and, if it requires improvement, so let it be done) by which the public treasure is to be received and paid out; and the hand of the President could not control a dollar, except for purposes prescribed by law, without committing a burglary or a g[illegible] [illegible]. The[illegible] would be at least two persons be[illegible] [illegible] the pub[illegible] money—the Secretary of the Tre[illegible] and the [illegible]asure[illegible] and it would be, I should think, [illegible] pre[illegible]ptio[illegible] and one little creditable to us as a [illegible] one to who[illegible] we have confided so high and dignifi[illegible] [illegible] is the P[illegible]idency of these States could be guilty [illegible] a great public fraud.

The Senator from Virginia has appealed to the wisdom of past ages, and meekly offers to subdue the dictates of his own judgment to their decisions; and, amongst others, he refers to the great apostle of liberty, Thomas Jefferson. The opinions of that distinguished man upon political subjects have always, with me, the greatest weight, and I think it will be found, that whenever in a situation to express his own deliberate convictions upon this important subject, they have uniformly been in our favor.

As a member of the first cabinet formed under our constitution, he recommended a plan similar to ours to President Washington, and in a comparatively recent letter written upon this subject, his sentiments are all with us. I will take the liberty of reading a portion of this letter to the Senate, and I will read the more of it because some few sentences have a bearing upon a subject discussed a few days ago, relative to the issue of Treasury notes. [Here Mr. S. read from the fourth volume of Mr. Jefferson's works, letter the 90th, to John W. Eppes, which is published as an appendix to this speech. When Mr. S. had finished reading, he proceeded.] I have thus, Mr. President, read from this letter, for the double purpose of showing Mr. Jefferson's views upon the matters in question, and of fortifying myself with his authority in an opinion expressed by me some time ago, that the banking system, as now practised in this country, is a manifest absurdity. I have now closed all that I have to say upon the matter under consideration, as touching merely the fiscal concerns of the Government, and will proceed to bestow a few reflections upon them as affecting the currency of the country, and its commercial prosperity.

I am next, as briefly as possible, to consider the subjec t as relates to the currency; and upon this point, I agree fully with the President that there is no constitutional power in Congress to regulate the paper currency of the States. The constitution truly has given the power to Congress to coin money, and regulate the value thereof, and of foreign coin. The power conferred, then, is over coin only; and whatever verbal disagreements may have arisen among us, no one, I presume, will contend that any species of paper money is included under the term coin. So much for the letter of the constitution; and the spirit of it I think (if gentlemen will insist that it has a spirit) is equally against it. Any one who will examine its various provisions, cannot fail to perceive that its wise and sagacious framers looked with the most jealous eye upon a paper currency, and fixed their hearts upon the precious metals as the only proper circulating medium for this great Union as sanctioned by public authority. To the General Government no power was given (and, as the history of the time shows us, was purposely withheld) to create corporations without the District, where its legistative power is absolute. The same power never having been taken from the States, (as has been expressly decided,) was left to them within their respective limits, and all of them have exercised it. To them, therefore, it belongs to regulate, if they can, these creatures of their own hands; certain it is no power is conferred upon us by the constitution to do so. It is contended, however, that although we have no direct power to regulate the paper currency of the States, we may do so indirectly. I admit that if in the pursuit of our legitimate objects we should incidentally adopt measures affecting the currency, we shall not be subject to blame, and if they affect it beneficially, so much the better. But we have no

right, under the mere pretence of furthering an object placed by the constitution within our control, to be aiming in fact at the regulation of another not so placed. It is a fraud upon the nation, upon our constituents, and ourselves. Such was the process by which the odious, unjust, and unconstitutional measure of a tariff for protection was fastened upon us, in the resistance of which a portion of this Union was placed in hostile attitude against the remainder. Akin to this is the proposal of imposing a stamp duty on all bank notes below a certain denomination, and all other measures for the potential exercise of powers that we cannot openly claim.

But if you had the constitutional power, you have not the physical power to control a currency furnished by corporations. I have already made myself intelligible, I trust, upon that point, and shown that a bankruptcy law, the most probable means of control, is not within your reach. The plan proposed by the Senator from Virginia is altogether inadequate; it wants both vigor and quickness of action, and in my judgment he might as well attempt to sweeten the bitter waters of the Dead sea, by dropping in lumps of sugar, as to infuse health and soundness into the diseased paper circulation by his feeble process. It can only operate upon those banks who agree to receive your deposites, and whose paper you agree to receive in the payment of public dues. The notes of banks issuing small notes will either be taken by them, or they will not; if they do take them, they become as current as their own, and have within them as many principles of currency. If they do not receive them, they will still be current, and the more so, as the banks in league with the Government will be removed from competition in the small note circulation. The argument of the Senator from South Carolina who sits near me, was misunderstood by me, or it has been misunderstood by others, with regard to the currency of bank notes. He has been supposed to have said, that bank notes owe their whole currency to their being receivable in debts to this Government. I did not so understand him, and I do not admit the truth of the position. They unquestionably owe the larger portion of their credit to this cause, but then they derive a good portion of their credit from their being receivable in debts to the State Governments—to the confidence which many will always have in the institutions which issue them—to the established custom of the country which has rendered them current—and to the eagerness with which every thing at all akin to money is laid hold of when offered, lest nothing better may be presented, and the chance of getting even that pass away. These considerations will continue long to sustain the circulation of small notes, and many banks will find it too profitable to issue them to be tempted by any prospect of gain which you hold out to them in the plan of the Senator from Virginia to abandon it. Add to this, that while you continue your connexion with banks, you will never accomplish one of the great purposes of legislation—public repose and quiet. What we now do, ought, if possible, to be well done; and it is far more important than that it should be done hastily. In your partnership with the banks they will always find subjects of complaint against you, make one concession the ground of right to demand another, and, whenever refused, raise a clamor which will excite the elements of political strife from one end of the continent to the other.

I have said that it does not belong to this Government to regulate credit and paper currency, and I insist further that if this were an absolute, unlimited Government, it would be expedient for it to interfere as little with such matters as possible. In the first place, it is a subject to which nature herself has furnished laws, a few of which are simple and well understood; but many of them are very occult, and scarcely perceptible, and the most sagacious mind is incapable of foreseeing the result even of a few of their combinations, and must therefore act with great rashness in meddling unnecessarily with matters in which great evils may be produced in the end, without any well-founded confidence of advantages in anticipation. The most enlightened writers on political economy, in modern times, denounce the ignorant quackery which formerly shackled trade with multifarious laws and regulations, and have discovered that freedom is her element. Every attempt to control her, diminishes her freedom; and those who are now beseeching Congress to take her under its special charge, would, if their prayer were granted, ere long discover, that when trade lays herself at the footstool of power for protection, she has deserted her native element, has voluntarily torn away the plumage which sustains her in her prosperous flight, and, having become faint and languishing, will sigh vainly for the return of her health and buoyancy. We are told, too, of the value of credit and its connexion with freedom; and if I may be allowed to refer to a letter made public some weeks ago, coming from a high quarter, I will take the liberty of saying that a clink of words, and apparent beauty of sentiment which it contains, is calculated to bear away the public mind to wrong conclusions. It is there said "that credit distinguishes the free Government from the despotic," and the connexion in which the expression is used would lead one to suppose that the truth of the sentiment implied that, to keep a nation free, you must maintain credit; whereas the real beauty of the remark is found in the truth being precisely the other way. You cannot make a nation free by giving her credit, but you can give her credit by making her free. Let us not mistake the relationship of freedom and credit; it is not collateral but lineal; and it is likewise important that we should not mistake the child for the parent. Credit is the offspring of freedom, and not freedom the offspring of credit. God forbid that I should be an enemy to credit; but I am desirous to see a natural, spontaneous credit, resting upon a sound basis; not a spurious, factitious credit, swelling like a balloon, with nothing but wind—as buoyant and as frail. You cannot legislate credit into healthy existence; but in the attempt to do so you may give it temporary plethora, destined to end in apoplexy and death. Credit is most delicate in its nature, and few hands are gentle enough to touch it. The slightest causes elevate or depress it. Its extreme sensibility is strikingly illustrated by a passage in Roman history, which now occurs to my mind. It was during what is called the piratical war, or the war against the pirates. Provisions at Rome and in the surrounding country had become extremely scarce, and could only be had at enormous prices. The supplies for the army and navy were nearly exhausted, and there was but a cheerless prospect of having them renewed. At this crisis, the Senate resolved to appoint Pompey the Great generalisimo of the expedition against the pirates, merely in reference to his military talents and successes; but, strange to tell, prices immediately came down, and provisions were abundant. Here, then, was a cause instantly and powerfully affecting prices and credit, which no one could have foreseen; and yet the writers of the day assure us it is so. And is it possible, while this Government remains so intimately connected with the paper currency and credits of the country, that it can fail greatly to affect them by every movement? Like a great giant, it has only to move one of its mighty legs or arms, and all the elements around it are immediately thrown into convulsions. This dangerous juxtaposition, therefore, ought to cease—so embarrassing to the Government and threatening to the paper currency and credit. No matter how urgent the necessity may be in other respects, Government must move with caution, or not move at all, lest she may derange the currency; or, if looking solely, or even mainly, to the constitutional ends of its creation, it does act, the air is immediately rent with cries of distress, and the Government is told it has done the mischief and must repair it; that it must bind

up the wounds of a bleeding country; nay, and pour into them oil and wine, too, from the Treasury. Such was the outcry on the removal of the deposites; such upon the refusal to recharter the United States Bank; such upon the issue of the Treasury circular; all of them measures strictly political, and adopted with reference to the action of the Government as such; but complicated as it had become with the paper currency and credits of the country, nothing should have been done, every thing should have been left undone, it is said, which, in the end, happened to affect them. What remedy is there for this evil but the disconnexion proposed?

But although the Government, whether united or not to the banks in her fiscal operations, can do but little legitimately towards regulating their paper currency, she can, by that union, do much to inflame the evils, and, by so doing, work much injustice. She can by that union greatly increase the eredit of those institutions, and give a wider circulation to their paper isssues, and in this way increase what are called mercantile facilities. The Senator from South Carolina has illustrated this matter by a figure so strong and forcible, that it could not fail, I think, to have brought conviction to all who heard him. Yes, sir, take the beggar from the street, and stipulate with him that nothing but gold and silver and his notes will be received in payment of debts to this Government, and Crœsus himself was never richer than he would instantly become.

But what right have the merchants or the banks to make a profit upon the Government funds, to the exclusion, or nearly to the exclusion, of all other classes? It is vain to set up the plea that the benefit of one class is the benefit of all; for the same plea is equally applicable to any act of inequality and injustice, however monstrous. Every one knows that bank stockholders are mainly confined to a very few classes, and it is those who make the profits upon the public funds while in the custody of banks. Tell me not that by expansion of the currency, the farmer and the laborer obtain better prices for their produce and their labor. Nominally it is so; but they must, in at least an equal proportion, pay for what they consume; and of those who are fortunate enough to lay aside any thing above their actual expenses, the ordinary subjects of their investments increase in nominal value with the expansion of the currency, and they hold them liable to all the fluctuations of that uncertain element, rendered so entirely for the profit of others. But leaving, as time compels me to do, the inequality of its operations upon individuals, how much more unequal is it in its local operations? Where are the banks? In mercantile communities. Where are our mercantile communities? With a very few exceptions, in our northeastern country. There, not only the bank stockholders and merchants, but all who are near them and around them, partake of the benefit in some degree, as the plat of ground which lies near a stream, although the prolific shower may not fall immediately upon it, is yet refreshed and fertilized by the moisture diffused through the atmosphere. Why is it that plenty and prosperity rest on the bleak and barren hills of the North, while the sunny and alluvial valleys of the South are daily becoming more and more impoverished? What is it but the result of the partial and unconstitutional system under which we have been living? In vain does the constitution declare that taxation shall be equal, if, when collected, some favored regions are to be fostered and enriched by it, while others are left to struggle on, worse than neglected, with no other benison but that of nature.

As a sort of balance to this argument, the Senator from Indiana, who has just addressed you, insists that the effect of collecting the Government dues in gold and silver, will be to drain all the specie from the West, as little or none of the public expenditures will be in that quarter. Now, I am at issue with that Senator, both as to the fact and the inference he draws from it. I do not agree that the public expenditures have not been in greater proportions on the Mississippi than on the seaboard. If I am correctly informed, more money has been paid to the Indians for extinguishing their title to the lands in the Senator's own State, than the whole are worth; and I remember that no longer ago than last winter, I myself rose in my place, and protested against the whole of the public funds being swallowed up in the great valley of the Mississippi, so large were the appropriations in that direction. Doubtless ample expenditures will be made in the West. But, whether or not, if they have demand for specie in the West, thither it will go; and if it does not, it will owe its exclusion to the bank paper which the Western people will themselves think proper to substitute for it.

The Government, I have already said, cannot continue her connexion with the banks without stimulating them into factitious credit, and increasing the tendency to commercial and speculative enterprise, which is already great enough, Heaven knows, and subtracting from the laboring and productive clases, the real bone and sinew, the true human *materiel* of the country. This is too obvious, and the mischief too great to require elaboration. But besides this, extravagance will be the natural offspring of the system. We have already seen the tendency of this evil to increase; and increase it will under the continuance of the system, until republican simplicity will be annihilated among us. Extravagance, and its companion, idleness, were the overthrow of all the ancient republics; ay, and of the modern ones too; and little San Marino shines forth a phenomenon for admiration, saved from the wreck which has evertaken others, by her poverty and parsimonious economy.

The union of the Government with the banks, is calculuted, I have said, greatly to influence the natural evils of the banking system. Some of them I have already mentioned; but one remains for me to advert to, not among the least, if not the very greatest. This is the mischief of sudden expansions and contractions. To this mischief no one can be insensible, for all have in one way or other felt its force. It has a tendency to make us a nation of gamblers, by the constant stimulus to that spirit which finds a place in almost every bosom, from the savage to the sage, and which it is one of the great objects of a wholesome education to subdue. But the frequent and sudden reverses to which every man is exposed, of being rendered a nabob today by an expansion, and a beggar to-morrow by a contraction, must, in process of time, engender all that loose morality which characterizes the professed worshippers at the shrine of fortune. Such is the effect upon holders of property; and upon the laboring man it is, if possible, still more baneful; for him there is no hour of prosperity, but he suffers greatly, if not equally, both in the ebb and flow of the tide. In a contraction, money of course becomes scarce, and the laborer, whose only commodity is his labor, is compelled to bring it daily into the market, and take whatever price it may command; while the holders of provisions, less limited in point of time for the conversion of their commodities into money, hold them back, not willing to submit to the diminished prices, and in the meantime the laborer must starve, or buy at the price demanded. On the other hand, when an expansion takes place, and money becomes plenty, labor is the last thing to find the level. The continual necessity which the laborer is under to bring his commodity into the market, prevents any competition in demand, and it is not until the general spring which is given to enterprise has opened for it new resources, that an increased demand for labor makes an increase in price. In the meantime the laborer must purchase those commodities upon which speculation is most apt to seize—the necessaries of life. It is impossible for the Government to remain connected with the banks without contributing to

this mischief; for when the supplies exceed much the necessities of the Government, they must lie in the banks, whose directors must resist the strongest, or, at least, most general passion of the human heart—cupidity, if they suffer them to remain unused, and in using them, an artificial expansion of the currency is of course created. On the other hand, when the Government shall find it necessary to make heavy drafts upon the deposite banks, a great contraction is the inevitable consequence. These are evils which the Government cannot prevent, but she should abstain, as far as possible, from exciting them; and this she can do only by disconnexion.

These evils, if they go on to increase, as they must and will do, if the exciting causes are continued in action, (and no exciting cause is equal to the union of the banks with the Treasury,) will, in the end, bring upon this country a pecuniary catastrophe which it is frightful to anticipate; and so strong, in that event, will be the revulsion of public opinion against them, that their real capacity for utility will be overlooked, and the whole of them cast away among the lumber of past ages. In this view, no sincere and enlightened friend of those institutions should desire a continuance of the imprudent connexion. But the separation will not be merely negative in its effects. It will create a demand for specie in this country, and water does not more certainly follow the ditch you excavate below the level of a pond with which you connect it, than specie finds its way wherever a particular demand is created. This specie will naturally flow at first into the banks, and, widening their specie basis, give them additional strength; their notes will still supply as much as ever the ordinary channels of trade, whilst their specie, having no tendency to emigration, will only be drawn out as the Government demands shall accrue. But when thus drawn by the Government into the Treasury, it will not remain there in large quantities, but, being required only for the payment of the Government creditors, will thus, or the greater portion of it at least, be thrown again into circulation by those creditors, (who are seldom hoarders of money,) and gradually find its way back to the banks, to be again drawn out in redemption of their notes; repeat the process of going to the Treasury, to be paid out again to the Government creditor, and be by him thrown into circulation, to return once more to the banks. This rotation must have a healthful operation upon the currency, and upon those who supply it; and, in addition to this, it will have a tendency to prevent that great aggravator of other evils—banking upon bank paper; for the demands then made not being confined to bank upon bank, cannot be met by the mere presentation of other bank paper; but every bank being liable to be called upon with a considerable portion of its notes for specie, must keep itself prepared to meet them, and must regulate its issues accordingly. Another advantage to the banks, by no means inconsiderable, I think, resulting from disconnexion, is that their own operations would be greatly simplified and their perils diminished. No unlooked for treasure would flow in upon them in deposite, demanding some provision for its use, and thus disturbing the even tenor of their course. No sudden demand for what had been deposited would put them at their wit's end for the means of returning it; but, pursuing a regular system, not subject to such unforeseen fluctuations, they would accomplish legitimate, just, and praiseworthy objects—the realization of reasonable profits, with safety to themselves, and convenience to the community.

To these advantages some objections are opposed; and here I must be allowed to say, that from the high-minded, honorable, and talented Senator from Virginia, an argument has proceded, which I am suprised to hear upon this floor, and especially from him. I have seen it among the newspaper slang of the day, to which I thought it adapted. The Senator from Virginia disclaims it as an *argumentum ad captandum*. I believe him sincere. I am persuaded he did not so intend to use it. But, after all, it can claim no higher rank. It has a specious acceptability to the popular ear, but embodies no element of sound argumentation. It is, that, by the adoption of the system proposed by the committee, with the amendment offered by the Senator from South Carolina, one currency would be provided for the Government, and another for the people—the better for the former—the inferior for the latter. I am sickened and amazed at a practice recently but too fashionable, and upon which my colleague has already so properly and forcibly remarked, of treating the Government as something alien from the people. What is the Government, and who compose it? Is not the Government a mere agency created by the people, for certain specified purposes—a perfect nonentity beyond those purposes? Is it a thing which can have interests separate from the mass of the people? Are not the individuals in whose persons this ideal existence is temporarily incorporated themselves portions of the people? and are not the interests which they have in their national existence, as a portion of the people, infinitely beyond any separate one they can possibly claim, for the brief hour in which they strut and act their parts upon this elevated stage? This is the people's Government; it exists but by their will, and when they have done with it, or it acts in opposition to that will, they can dissolve it as by a breath. Resistance on its part would be as vain as that of a school boy with a reed to a Roman soldier in full armor. Government can have no interests but those of the people; but the people themselves have interests as a body politic, and they have interests as individuals; the former mainly are committed to us, and the latter to the respective States. But how, I pray you, upon this imaginary division of interests, is there proposed by the measure a sounder currency for one than for the other? Does the gentleman admit that the paper money is inferior in value to the gold and silver? If he does so, is not the admission *felo de se* to his proposal—which is defended, if I have understood him, upon the ground that paper is not depreciated, and can be saved from depreciation, and is therefore equal to gold and silver? And, between equal things, how can the terms better and worse, inferior and superior, be applied? But I do not admit that they are equal; and it is mainly upon the ground that they are not equal, and, although men may so imagine, that they can never be really so, that I am opposed to this scheme. For the people, as individuals, I have no right to legislate, and I therefore leave them in the enjoyment of their birthright, to take what they please, and call it money. But for this Government Congress has a right to legislate; and I esteem it, for one, a part of my duty, as a portion of that body, to demand for the people, in their political character, the currency which the constitution acknowledges; the currency which admits of least fluctuation; the currency which the public creditor has a right to demand, and that which can be collected and disbursed with least injury to the public. But, in pressing the argument, it is said the public creditors, while thus nominally receiving their stipulated dues, are in fact receiving more. Which, I pray you, is the standard of value—gold and silver or paper? If the latter, it is idle to argue; and if the former, I would further ask if it is not in that you have promised to pay them? And if so, is it a ground of complaint that you have fulfiled your engagements? If you paid the public creditor by force in paper, he might well complain that you had paid him so much per centum less than you had promised; but it never could justly be said, when you paid him in gold, that you had paid him more. But a fancy picture has been drawn of the officers of Government filling their coffers with golden deposites, which they receive in compensation for their services. Is it not a picture merely imaginary, contradicting all truth and experience? It is

notorious that public men, both in England and this country, (exclusive of the pension system, which is there in extensive use,) who are dependent upon their compensation, seldom know affluence; on the contrary, they live from hand to mouth. Every dollar they receive is spent as soon as they receive it; and, such as it is, enters into the general circulation, through their tailors, their shoemakers, their butchers, their bakers, &c.; and, so far from hoarding, they are lucky if they do not of necessity anticipate their means, and plunge themselves in debt; and if the public does not bury them when they die, it is because it will not, and leaves it to private charity to perform that office

But the time is deemed unsuitable for any change in the measures of the Government. It is said the country is now in great agitation and distress, and we ought to postpone any important change to a season of more quiet and prosperity. Now, sir, it strikes me that the very time for a change of measures is when the country does not seem to be happy under those which are in operation, and that nothing could be more unwise than to make changes when the country was quiet and reasonably prosperous. What would be thought of the physician who, being called to the bed-side of a sick man, should say to him, "my friend, you are quite sick, it is true, but I do not think this is the time to give you medicine. Were I to do so, it would irritate your stomach, and throw your system into commotion, and you would probably feel even worse than you do now. For the present, therefore, I will leave you to your chance, and you may possibly die; but should you be so fortunate as to get better, why then I will physic you." Such seems to me to be in substance the argument against present action upon the important alternative before us.

The wisdom of the past, the practice of our own and other nations, is cited against the plan of an independent Treasury. Our own nation, I believe, stands alone in the intimate connexion which exists between the banks and the Treasury; and I have already shown, by the letter which I have read to the Senate, how much our practice is at war with the considerate opinion of one of the most enlightened of our statesmen. In England, too, where the connexion is much less intimate than here, many of her wise men do not hesitate to pronounce it, such as it is, injurious both to the bank and the State. In other nations, I believe the connexion is unknown.

The measure, finally, is spoken of as being considered a war between the Government and the banks; and this, it is said, is a false issue. I agree, Mr. President, that it is a false issue—a very false issue; so false that I, for one, would never be a party to it. I would never consent to join the Government in making war upon any class of citizens, or any class of citizens in making war upon the Government. In advocating this measure, I look to the banks as only incidentally concerned. It is a measure of great public interest, and, as I believe, of great public utility. If the banks should happen to suffer by it, I shall regret it; and if they are benefited by it, it will add to the satisfaction I expect to derive from its otherwise benign operation.

In conclusion, I must object, with my colleague, to the gloomy colors in which the condition of the country has been drawn. Some difficulties, some distresses, there may be: but the great elements of prosperity are yet rife in our land; we have yet the genial skies and fertile soil with which Nature blessed us; the flag of our country yet waves proudly in the face of the world; and she may turn, as did the Roman matron, to her industrious, talented, and gallant sons, and as Cornelia did to her beautiful and virtuous daughters, exclaiming, "These are my jewels." While these remain to her she can never be ruined; never justly complain that she is unhappy.

APPENDIX.

[*From Jefferson's Correspondence, vol.* IV, *page* 189.]

"I am sorry to see our loans begin at so exorbitant an interest. And yet, even at that, you will soon be at the bottom of the loan-bag. We are an agricultaral nation. Such an one employs its sparings in the purchase or improvement of lands or stocks. The lendable money among them is chiefly that of orphans and wards in the hands of executors and guardians, and that which the farmer lays by till he has enough for the purchase in view. In such a nation there is one, and one only, resource for loans sufficient to carry them through the expense of a war; and that will always be sufficient, and in the power of an honest Government, punctual in the preservation of its faith. The fund I mean is *the mass of circulating coin.* Every one knows that, although not literally, it is nearly true that every paper dollar emitted banishes a silver one from the circulation. A nation, therefore, making its purchases and payments with bills fitted for circulation, thrusts an equal sum of coin out of circulation. This is equivalent to borrowing that sum; and yet the vender, receiving payment in a medium as effectual as coin for his purchases or payments, has no claim to interest. And so the nation may continue to issue its bills as far as its wants require, and the limits of the circulation will admit. Those limits are understood to extend with us, at present, to two hundred millions of dollars—a greater sum than would be necessary for any war. But this, the only resource which the Government could command with certainty, the States have unfortunately fooled away—nay, corruptly alienated—to swindlers and shavers, under the cover of private banks. Say, too, as an additional evil, that the disposable funds of individuals, to this great amount, have thus been withdrawn from improvement and useful enterprise, and employed in the useless, usurious, and demoralizing practices of bank directors and their accomplices. In the war of 1755, our State availed itself of this fund, by issuing a paper-money bottomed on a specific tax for its redemption, and to insure its credit bearing an interest of five per cent. Within a very short time, not a bill of this emission was to be found in circulation. It was locked up in the chests of executors, guardians, widows, farmers, &c. We then issued bills bottomed on a redeeming tax, but bearing no interest. These were readily received, and never depreciated a single farthing. In the revolutionary war, the old Congress and the States issued bills without interest, and without tax. They occupied the channels of circulation very freely, till those channels were overflowed by an excess beyond all the calls of circulation. But, although we have so improvidently suffered the field of circulating medium to be filched from us by private individuals, yet I think we may recover it in part, and even in the whole, if the States will co-operate with us. If Treasury bills are emitted on a tax appropriated for their redemption in fifteen years, and (to insure preference in the first moments of competition) bearing an interest of six per cent., there is no one who would not take them in preference to the bank paper now afloat, on a principle of patriotism as well as interest; and they would be withdrawn from circulation into private hoards to a considerable amount. Their credit once established, others might be emitted, bottomed also on a tax, but not bearing interest; and, if ever their credit faltered, open public loans, on which these bills alone should be received as specie. These, operating as a sinking fund, would reduce the quantity in circulation, so as to maintain that in an equilibrium with specie. It is not easy to estimate the obstacles which, in the beginning, we should encounter in ousting the banks from their possession of the circulation; but a steady and judicious alternation of emissions and loans would reduce them in time. But, while this is going on, another measure should be pressed to recover ultimately our right to the circulation. The States

should be applied to to transfer the right of issuing circulating paper to Congress exclusively, *in perpetuum*, if possible, but during the war at least, with a saving of charter rights. I believe that every State west and south of Connecticut river, except Delaware, would immediately do it; and the others would follow in time. Congress would, of course, begin by obliging unchartered banks to wind up their affairs within a short time, and the others as their charters expired, forbidding the subsequent circulation of their paper. This they would supply with their own, bottomed, every emission, on an adequate tax, and bearing or not bearing interest, as the state of the public pulse should indicate. Even in the non-complying States, these bills would make their way, and supplant the unfunded paper of their banks by their solidity, by the universality of their currency, and by their receivability for customs and taxes. It would be in their power, too, to curtail those banks to the amount of their actual specie, by gathering up their paper, and running it constantly on them. The national paper might thus take place even in the non-complying States. In this way, I am not without a hope that this great, this sole resource for loans in an agricultural country might yet be recovered for the use of the nation during war; and, if obtained *in perpetuum*, it would always be sufficient to carry us through any war: provided that, in the interval between war and war, all the outstanding paper should be called in, coin be permitted to flow in again, and to hold the field of circulation until another war should require its yielding place again to the national medium.

But, it will be asked, are we to have no banks? Are merchants and others to be deprived of the resource of short accommodations, found so convenient? I answer, let us have banks; but let them be such as are alone to be found in any country on earth except Great Britain. There is not a bank of discount on the continent of Europe (at least there was not one when I was there) which offers any thing but cash in exchange for discounted bills. No one has a natural right to the trade of a money-lender but he who has the money to lend. Let those, then, among us who have a moneyed capital, and who prefer employing it in loans rather than otherwise, set up banks, and give cash or national bills for the notes they discount. Perhaps, to encourage them, a larger interest than is legal in the other cases might be allowed them, on the condition of their lending for short periods only. It is from Great Britain we copy the idea of giving paper in exchange for discounted bills; and, while we have derived from that country some good principles of government and legislation, we unfortunately run into the most servile imitation of all her practices, ruinous as they prove to her, and with the gulf yawning before us into which those very practices are precipitating her. The unlimited emission of bank paper has banished all her specie, and is now, by depreciation, acknowledged by her own statesmen, carrying her rapidly to bankruptcy, as it did France, as it did us, and will do us again, and every country permitting paper to be circulated, other than that by public authority, rigorously limited to the just measure for circulation. Private fortunes, in the present state of our circulation, are at the mercy of those self-created money-lenders, and are prostrated by the floods of nominal money with which their avarice deluges us. He who lent his money to the public or to an individual before the institution of the United States Bank, twenty years ago, when wheat was well sold at a dollar the bushel, and receives now his nominal sum when it sells at two dollars, is cheated of half his fortune. And by whom? By the banks; which, since that, have thrown into circulation ten dollars of their nominal money where was one at that time."

When Mr. STRANGE had concluded his remarks,

On motion of Mr. TALLMADGE, the Senate adjourned.

FRIDAY, SEPTEMBER 22.

ANNEXATION OF TEXAS.

Mr. DAVIS presented petitions from inhabitants of towns and places in Massachusetts, remonstrating against the annexation of Texas to, or admission into, the Union, signed by 6,000 persons.

Mr. D. observed that, as the subject-matter of these remonstrances was not before Congress, he should have postponed the presentation until some question arose which would make such a step appropriate, but he noticed other gentlemen had presented like memorials, which had been laid on the table, and thus, being in possession of the Senate, could be called up at any time, and he moved that the same disposition be made of these.

Mr. D. also presented two petitions upon the same subject from East Windsor and Suffield, in Connecticut.

SUB-TREASURY BILL.

The Senate then resumed the consideration of the bill providing for the collection and custody of the public revenue.

Mr. TALLMADGE rose and addressed the chair as follows:

Mr. President: The bill on your table proposes to establish for the reception, safe-keeping, and disbursement of the revenues of the Government, what is generally termed the sub-Treasury system. This measure has been brought forward in pursuance of the recommendation of the President of the United States, in his recent message to Congress. I do not flatter myself that I can add much to the arguments which have been so ably and so eloquently urged, by my friend from Virginia, [Mr. RIVES,] against this measure. But, coming from a State where its practical operation, for good or for evil, must be so sensibly felt, I deem it my duty to give frankly to the Senate the views which I entertain in relation to it.

Sir, I have bestowed upon this subject all that reflection which is due to it, from the high source from which it emanates. Every consideration, both personal and political, would incline me to its support, if my judgment could be satisfied that its adoption would promote the great interests of the country. Natives of the same State and of the same county, the President and myself have been, from my first entrance into political life down to the present time, on terms of intimacy. In his political career he has on all occasions received my cordial support. It has been my fortune to be placed in situations, at certain trying periods of his history, which have enabled me to render him "some service," It is with no ordinary sensation, therefore, that I find myself constrained, by higher considerations than those of political attachment or personal friendship, to differ from him on the question now before us—considerations of public duty which involve the public weal. But, I have the satisfaction to know, that he neither expects nor desires me to support this or any other measure merely because it bears the stamp of an Executive recommendation. In submitting this sub-Treasury system, the President has only obeyed an injunction of the constitution, which he is sworn to support, and which declares that "he shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient." This is one of those measures—the President has discharged his duty in recommending it to our consideration, and I trust we shall discharge ours by giving to it that calm investigation and free discussion which are so well calculated to produce correct results, in regard to measures that involve the great and vital interests of the people.

The President himself anticipated much diversity of sentiment on this subject. He anticipated also that Congress might, in its wisdom, adopt some other system; and he

gave the assurance of his co-operation in any other plan which might be "ultimately established." He says:

"With these views, I leave to Congress the measures necessary to regulate, in the present emergency, the safe-keeping and transfer of the public moneys. In the performance of constitutional duty, I have stated to them, without reserve, the result of my own reflections. The subject is of great importance, and one on which we can scarcely expect to be as united in sentiment as we are in interest. It deserves a full and free discussion, and cannot fail to be benefited by a dispassionate comparison of opinions. Well aware myself of the duty of reciprocal concession among the co-ordinate branches of the Government, I can promise a reasonable spirit of co-operation, so far as it can be indulged in without the surrender of constitutional objections which I believe to be well founded. Any system that may be adopted, should be subjected to the fullest legal provision, so as to leave nothing to the Executive but what is necessary to the discharge of the duties imposed on him; and, whatever plan may be ultimately established, my own part shall be so discharged as to give to it a fair trial and the best prospect of success."

I trust, then, that the friends of the administration will view this question as one of expediency, and not suffer any difference of opinion between themselves to become a difference of principle upon which they are to divide. If it be not so viewed, who will take the responsibility, and who will vouch for the consequences of a contrary course? It is a subject on which men may honestly differ; and it is for that reason, amongst others, that such difference should be expressed with perfect frankness and with the utmost freedom. My mind has long been made up against it; and the reasoning of the message, whilst it has not convinced me to the contrary, has only served to confirm my previous opinions—I am therefore bound to say, from a sense of the most imperative duty, that, in my judgment, this measure is fraught with more mischief than any scheme which has heretofore been broached in reference to the finances of the Government and the currency of the country. In saying this I certainly intend none other than the most profound respect for the distinguished individual who has, in an official form, brought it to our notice.

Neither is this scheme new to the democracy of the country. It has once been passed upon by them, through their representatives in Congress, and received their unqualified condemnation. It was brought forward in the House in the session of 1834-'5, by a member of the opposition. After an animated debate, it was most signally defeated. It was put down by every administration vote save one. It is, however, due to the opposition to say, that it was received with so little favor by them as a party that only thirty-three members could be found who were willing to record their names for it on the journal. The defeat of this measure, at that time, was a matter which every friend of the administration, from President Jackson down, had very much at heart. We all took a deep interest in it. We all looked upon it as calculated to undermine our free institutions; as subversive of the very principles of the party to which we belonged; as accumulating power and patronage in the hands of the Executive, to which we had always been opposed; as uniting in his hands the purse and the sword, about which so much had been said on a then recent occasion, and which we had repelled in a manner and with a spirit which became those who were honestly desirous of preserving the powers of the Government as they were originally intended to be distributed by the constitution. Nay, sir, we went further; we denounced it as a "proposition disorganizing and revolutionary, subversive of the fundamental principles of our Government, and of its entire practice from 1789 down to the present day." We denounced it as a scheme which would "bring the public treasure much nearer the actual custody and control of the President than it is now, and expose it to be plundered by a hundred hands where one cannot now reach it." The party was never more unanimous on any occasion than this—their abhorrence of the scheme was universal; so powerful were the arguments against it, both in and out of Congress, by the republican Representatives and by the republican press, that it received no favor in any quarter. Even the opposition, notwithstanding they were against the State banks as depositories of the public money, could not be brought to the support of this measure, although it was introduced and urged by one of their own number. So mischievous in its tendency, so unsound in principle did they deem it, that they united with the friends of the administration to defeat it. But what do we now behold! Whilst they, as a party, are still against the measure, we, as the friends of the administration, are called upon to support the same proposition now, which we as friends of the administration put down then—put down, did I say? which we denounced as "disorganizing and revolutionary," and as exposing the public treasure to be "plundered by a hundred hands where one cannot now reach it." The objections to it then were inherent in the system; and, being so, no state of things has since occurred, or can hereafter occur, which can remove those objections. Still, we are now asked to change our ground, and to adopt a proposition as a matter of expediency, which received our decided disapprobation, at that time, as a matter of principle. No question was ever better settled on principle than this; and no state of things can make that expedient now which was wrong in principle then.

Sir, at that time, the adoption of the State banks as depositories of the public money was the favorite measure of the administration. Whilst the contest with the Bank of the United States was going on, this was the ground taken by the whole party. It was openly and publicly avowed by President Jackson, and by every friend of his administration. Sir, in the Senate chamber, the question was frequently and pertinently put by the friends of the United States Bank, to those who were opposing it, what will you do for a substitute for this institution if it be not recharter-ed? The answer invariably was, the State banks are the substitute. They are equally adequate to the reception, safe-keeping, and disbursement of the public revenue. They will equalize the currency and facilitate the exchanges of the country. In truth, the leading friends of the administration deemed the State banks competent to perform all the duties to the Government and to the country which the Bank of the United States had performed. For my own part, I never believed they could perform those duties, in all respects, as well. They lacked the capital and the concert of action necessary to render them equal to an institution which had its branches at all the great business and commercial points of the country; and which, by one common interest and by one common impulse, could operate more successfully, and with more facility, than the State banks could do, with less means and with less concert. But I conceived there were other objections to that bank, which more than counterbalanced any supposed advantages which it possessed over the State institutions. Be that, however, as it may, they were put forward by the administration as the only practicable substitute for a Bank of the United States. After the deposites were removed from that institution, they were placed with the State banks, which entered into an arrangement with the Government to perform all the duties which had been required of and had been performed by the Bank of the United States. They entered upon those duties—they performed them to the entire satisfaction of the President and the Secretary of the Treasury. The annual messages of the one, and the annual reports of the other, bear ample testimony to their competency and fidelity. For three successive years was the whole nation congratulated on the entire success of this

experiment upon the finances of the Government and the currency of the country. Nay, the people were congratulated upon the "better currency," which had been introduced, and upon the reduction of the domestic exchanges from one end of the Union to the other, by reason of the superior advantages and the wiser management of the State banks, to which these duties had been entrusted. If such were the result of the experiment with the State banks, why are we now asked to abandon them, and to try the "untried expedient" of the sub-Treasury scheme? Why are we asked to adopt a measure which we declared, when it was formerly presented, was "an effort to enlarge Executive power, and put in his hands the means of corruption!" Why are we asked to substitute it for a system which the Secretary of the Treasury, at that time, declared was "much superior to individual agents of the United States!"

The answer to all this is, that the experiment has failed. Does the failure of the experiment remove the objections which were so strongly urged against the scheme which we are now called upon to adopt? Does it make that scheme less "disorganizing," less "revolutionary?" Does it render the public treasure more safe and less liable to be "plundered?" Does it cease to "enlarge Executive power," and does it take from "its hands the means of corruption?" No, sir, it does no such thing. These objections stand in full force against it. They cannot, in the nature of things, be removed from it. Then why insist on its adoption? These objections forbid it, even if the experiment of the State banks had failed. But it has not failed. It has never been fairly tried. The pecuniary pressure and embarrassment which have been felt throughout the United States are without a parallel in the history of our Government. Every class in the community, but more especially the mercantile class, has suffered from the great derangement of the monetary concerns of the country. This derangement has not been confined to us. It has pervaded Great Britain, and in a greater or less degree, other countries of Europe. Intimately connected as England and the United States are in their commercial relations, any cause which materially affects the one cannot fail, in some sort, to affect the other. It is not my intention, on this occasion, to trace the causes of the pecuniary embarrassment which has pervaded both countries. I intend merely to advert to some of the more immediate, and which might, perhaps, be termed secondary causes, so far as they have a bearing upon the alleged failure of the experiment of the State banks. Whilst I agree with the President in some of the causes assigned by him, I do not think he has taken as comprehensive and enlarged a view of them as further examination and reflection would have enabled him to do. But, enough has been said to show that the banks could no longer hold out against the pressure which was made upon them, from whatever causes it may have originated. Public confidence had become impaired. Confidence, the very basis of bank credit, as well as commercial credit, was taken from them. The suspension of specie payments was the inevitable consequence. It was without fault on their part. I know they have been charged from a high source with treachery and bad faith towards the Government and the people. Sir, I regret, more on account of the source from whence such a charge comes, than for any other reason, that it should have been made against them. It must have been made from misconception or misapprehension, and not from a real knowledge of their situation, or of the causes which led to the catastrophe so much deplored. Sir, there was no proper effort, on the part of those who could have done most towards it, to maintain the confidence of the community in them. On the contrary, every thing was done to impair it. No sooner had the war against the Bank of the United States ceased, than a war more violent and more unrelenting was waged against the State institutions. Every means was employed to impair public confidence. They were denounced in our legislative halls and by the public press. They were denounced at public meetings by those who advocated an exclusive metallic currency. The jacobinical terms of "rag barons" and "rag money" were familiarly introduced into our highest legislative assemblies, and adopted by our highest political journals. The levelling resolutions of ward and town meetings were responded to by men in high stations, who were thereby tacitly assenting to, and encouraging the anti-bank as well as anti-social doctrines put forth on such occasions. To cap the climax, the "specie circular" was issued by the Executive, directing that gold and silver should be received in payment for public lands, instead of the notes of specie paying banks, as authorized by the joint resolution of 1816. By this act, on the part of the Executive, the confidence of the Government was withdrawn from the banks, and was a signal to the people to withdraw theirs also. It cannot be expected that the community shall maintain its confidence in any institutions when the confidence of the Government is once withdrawn.

The manner in which the specie circular was issued was another item in the want of confidence which prevailed through the country. It was issued by the Executive after a decided expression of one branch of Congress against the propriety of its adoption. The proposition was introduced by the Senator from Missouri, [Mr. BENTON,] in the shape of a resolution, in April, of the session of 1836, and was rejected by an almost unanimous vote. It was again brought forward the latter part of June, near the close of the session, in the shape of an amendment to some public bill, and was again rejected, and with the same unanimity. Such was the opinion of the Senate, at that time, on this measure, and such was its decision twice distinctly made. It was considered by every one, too, as a subject for legislative action. What was our astonishment, then, when immediately after our adjournment, and before we reached our homes, we saw the same measure adopted by Executive authority, which had twice been rejected by the legislative action of the Senate? It is not my intention to examine the power by which the Executive issued this order, and thereby created a distinction between the kind of medium in which different branches of the revenue were to be received. I do not doubt that the Executive acted from the most honest and patriotic motives; and there are those who believe the order operated well, although I am not one of that number. It was intended to diminish the amount of the proceeds of the sales of the public lands. Before its adoption the amount of sales had rapidly declined, and would have declined still more rapidly without any interference of this sort. But, when this circular was issued, speculation, which had began to flag, again revived; and I have heard of several well authenticated cases, where associations and companies, seeing this attempt to shackle the sales of the public lands, and believing that, at the then next session of Congress, the President would recommend to limit the sales to actual settlers, determined to avail themselves of the present opportunity and purchase more than they otherwise would have done. Such purchases were more extensively made than they would have been if the order had not been issued. No, sir, it did not effect the object of diminishing the sales. They had already begun to fall off rapidly, and would have fallen off still more but for the specie circular. These large associations and companies had no difficulty in commanding the specie for all their purposes, and with almost as much facility as they could have commanded the notes of specie paying banks. It was no great hardship on them; but it fell with peculiar force upon the individual purchaser who had merely means sufficient to buy a quarter section. He was compelled to pay a premium for

specie, which, according to his means, rendered it oppressive to him. I say then, sir, that this order did not answer a single purpose for which it was issued, but, on the contrary, was productive of great and incalculable mischief. I speak not now of the hardship to individuals; I allude to the general derangement produced by it to the moneyed concerns of the country. The withdrawal of specie from the Atlantic cities, where it was wanted, to the Western and Southwestern States where it was not wanted, was the cause of general distrust and alarm. It was ordering it to move against the current. It was commanding it to flow up stream. It was deranging all the concerns of the business community at the East without producing any corresponding benefits at the West. It was, in fact, injurious to the West. Any effort to force gold and silver from one part of the country to another, contrary to the regular course of business and the laws of trade, is ever productive of injury. Gold and silver, like water, will always find their level. They will go where trade and commerce call them; and if impeded in their regular channel, like a cataract which has been obstructed, instead of irrigating and fertilizing the lands through which it naturally flows, it will carry desolation and destruction to the whole country, from the accumulated force and pressure which it has acquired. There was scarcely a bank in city or country in the Northern and Eastern States but what felt this constant drain. It thus became the source of alarm, and the lack of confidence thus manifested by the Government became the fruitful source of distrust in the community at large.

This specie circular became the subject of political discussion at the elections which took place that season. The public mind was agitated—Congress assembled, and immediately took measures to rescind this order, which had been issued against the clear and almost unanimous expression of the Senate, at the previous session. The currency bill introduced by my friend from Virginia, [Mr. RIVES,] was intended to rescind it. Sir, it is not necessary for me to recapitulate the circumstances attending the progress of that bill. They are familiar to most of us. Suffice it to say, that it passed the Senate with only four dissenting votes, and in about the same ratio in the House. This bill was retained by the late Executive in the manner and for the reasons which have heretofore been given to the country. I will not dwell on them. There is to my mind no pleasure in the contemplation of them. I could wish that the whole transaction were blotted from my memory. I only allude to it, for the purpose of showing its effect on the public mind in reference to public confidence, and for no other purpose. I desire to speak of it in no other light. The attention of the whole country was turned to Congress, and was watching the progress of this bill; and when it passed both Houses by such a powerful vote, new light seemed to beam upon those who were looking to it as the source of relief in maintaining and restoring confidence which had been so much impaired by the issuing and continuance of the original order. But those who expected this relief were doomed once more to disappointment. They had seen that the subject was one which peculiarly belonged to Congress; that the only power the Executive had over it was derived from the joint resolution of 1816; and whenever Congress saw fit to resume that power, in whole or in part, they anticipated no obstruction from the Executive branch of the Government. They had read the constitution as it was understood by its original framers. They had heard Executive power defined as one "giving effect to the behests of other powers which have a right to command." They supposed that the will of Congress, on a subject peculiarly belonging to the legislative powers of the Government, would have prevailed, and that the country would have been relieved from the embarrassment of a measure about which, whatever difference of opinion might have existed as to its inception, there was none as to its continuance. In this, I repeat, they were grievously disappointed. They, nevertheless, clung to the only hope that remained. The citizens of New York, who felt the most intense interest in this matter, knew that on the fourth of March their "favorite son" was to assume the reins of Government; and they believed that in this eventful crisis he would not be unmindful of his native State, whose fate was suspended by the brittle thread of confidence which remained, although attenuated by the adverse action of the Chief Magistrate who had just retired. Sir, after the adjournment of Congress, and when on my way home, I reached the city of New York, I found "expectation stood on tip-toe." Inquiries, as frequent as they were anxious, were made of me as to the probable action of the President in reference to this order. I assured them, from what I deemed satisfactory authority, that it would be rescinded, or would be modified in a way equivalent to rescinding it. Joy and satisfaction beamed on every countenance. Life and animation were restored. Confidence was revived, and the whole business population of the city were ready to exclaim,

> "Now is the winter of our discontent
> Made glorious summer by this son of York."

Sir, whilst thus elated with the prospect of relief, the cup of confidence was again dashed from their lips. The President declined to interfere with the order, which had been handed down by his predecessor as a legacy to him, and left an anxious community in that condition where "hope never comes that comes to all." Far be it from me to blame the President for the course taken by him. He, doubtless, had reasons satisfactory to himself, and it is not for me to censure where one acts according to his own judgment, and the dictates of his own conscience.

Sir, I would not be understood as supposing, that the rescinding of the specie circular would have been a panacea for all the evils which then afflicted the community. I know that there were many other causes operating to produce the pecuniary embarrassments under which the country then labored; and I believe if public confidence had been maintained, the country would have borne even a greater pressure, without the necessity of a suspension of specie payments by the banks. Is this not evident from what the Secretary of the Treasury states in his report? He says:

"As a whole, their specie, compared with their circulation, continued to be almost as large in May as in November. It averaged more than one to three, or much more than has been customary with the banks in this country, and was over double the relative quantity held by all the banks in England at the same period, and was in a proportion one-fourth larger than that in the Bank of England itself. Their immediate means, compared with their immediate liabilities, were somewhat stronger in November than in May, but were at both periods nearly 1 to 2½, or greater than the usual ratio, in the best times, of most banks which have a large amount of deposites in possession."

Where, then, was the necessity of suspension, but from want of public confidence? With all the elements of prosperity around us, with more than eighty millions of dollars in specie, it is difficult to conceive, notwithstanding any overaction in trade or in other branches of business, how such a necessity should exist. Confidence may be destroyed or sustained by imaginary as well as real causes. It was not material, therefore, whether the rescinding of the specie circular would in itself have produced the beneficial effects which were anticipated from it. It is sufficient that it was looked to as a source of confidence, and as long as it answered that purpose, it was of no consequence whether it was a real or an imaginary cause of the confidence which it created and sustained.

Sir, I might illustrate my idea by what is generally term-

ed the panic session of 1834. It is now conceded that the causes of the pressure at that time were imaginary; that the removal of a few millions of dollars from one place to another could not, of itself, produce the alarm and distress which followed. The community, however, believed there was sufficient cause for it all, and that was the same as if it actually existed. The distrust which prevailed was extended to our State institutions. There was great apprehension of their suspending specie payments. In this crisis, the State interposed, and loaned its credit to the banks to the amount of six millions of dollars. No sooner was this done than confidence was again restored, and the State never had occasion to issue a single dollar of the six millions thus proffered for their support.

Had the large amount of specie, about which so much has been heard, been governed in its movements by the regular course of business and the laws of trade, we should not have encountered the evils which are so loudly complained of; confidence would have been maintained, and a suspension would not have followed.

I know, sir, that the banks have been charged with treachery and fraud, and of stopping for sinister purposes. In regard to the banks in my own State I feel bound to repel the imputation thus cast upon them. I speak from personal knowlege and observation when I say, they stopped not from choice, but from the most imperative necessity. In the city of New York, they were amply prepared to meet all the demands of bill holders, but they could not answer the demands of alarmed depositors—alarmed not as to their eventual responsibility, but lest, in case of suspension, their funds should be put beyond their control until the liquidation of the concerns of the banks in the hands of receivers. Sir, they held out till the last moment that prudence dictated, and when they suspended, it was with the approbation of every class of the community. The Legislature of the State, which was then in session, by an almost unanimous vote in both Houses, sanctioned the suspension, and relieved the banks, for one year, from the forfeiture of their charters.

I maintain, then, that these banks suspended specie payments from causes entirely beyond their control, and without fault on their part. If they have over-banked, they have been stimulated to it by the action of the Government, and by the unusually and extraordinarily large surplus in their possession, the evil effects of which were intended to be remedied by its gradual withdrawal under the deposite act. They were urged by the Secretary of the Treasury to be liberal in their accommodations to the merchants, and through them to benefit every class of the community. The public deposites were the means by which these accommodations were to be made. They were used as the Secretary of the Treasury desired, until the banks themselves became alarmed at the consequences which might result from an over-extension, and from the political agitation which would follow it. The evil effects of this large surplus, and which was constantly increasing, were seen by the banks. They were desirous of averting them. And when the question of depositing it with the States was before Congress, some of the principal ones were in favor of the measure. In the course I pursued, I acted under the advice of some of their principal officers; and the very proposition which I submitted to the Senate, in the shape of an amendment, and which was adopted with great unanimity, was suggested by one of them. He said that as long as the moneyed concerns of the country were made the subject of political discussion, so long would business and the mercantile community be in constant agitation and alarm—that this surplus ought to be disposed of, and thus restore peace and harmony in our money matters, which could not be anticipated whilst it remained in its present position. The proposition for disposing of it was that of a business man. It was to deposite it with the States in the ratio of representation; to take their certificates of deposite, in the nature of stock, redeemable at their pleasure; and that the Secretary of the Treasury should, at any time, for want of other money in the Treasury to meet appropriations made by Congress, be authorized to sell these certificates in the market, and in the hands of the purchaser they should bear an interest of five per cent. This would have been a regular business transaction. It would have required no legislation on the part of Congress or the States to reach the money. It would have been always within the power and control of the Secretary of the Treasury. The States would have had the benefit of it without interest, until it was required for the wants of the Government, and then would have merely provided for the five per cent. interest on that which was sold, and redeemed the principal at their pleasure. It was in this shape that the bill passed the Senate. It was amended in the House, for reasons familiar to all who were here at the time, and which it is not necessary for my present purpose to repeat. Had the bill passed as it went from the Senate, we should not now be called on to replenish an exhausted Treasury. The Secretary would, at this time, have at his control the three instalments already deposited with the States, amounting to some twenty-eight millions of dollars. These certificates could, at any time, have been sold, and, once in the market, would have gone very far towards liquidating our foreign debt.

Sir, I am aware, that the execution of the deposite act was a source of inconvenience, and in some instances of embarrassment at those points from which large sums were to be transferred. But much of this inconvenience and embarrassment arose from the manner of its execution. I will not undertake to say how far the Secretary of the Treasury, under the provisions of this act, and under the general authority of his Department, could have made the transfers other than he did. But I will say, if they had been made as a mercantile man would have made them, they would have materially aided the domestic exchanges of the country, and would have promoted, instead of deranging, the regular business of the community. I am aware, too, sir, that some were opposed to this act, on account of the necessary withdrawal of a portion of these funds from places where they had been loaned out by the banks. Such do not reflect that, if this law had not passed in 1836, thus giving a year to the banks to make their arrangements to comply with its provisions, the next Congress would have made a similar disposition of the surplus, which proved to be much larger than many had predicted or anticipated. The inconveniences of such a disposition of it, after the banks had used the accumulated fund for another year, would have been much greater than those which were experienced under the law as it passed. But I do not intend to go into the merits of that measure; I have merely alluded to it from its connexion with the banks, and to show, that if the use of this surplus was one cause of the suspension of specie payments, by reason of any alleged over-issues on their part, they were stimulated to it by the action of the Government itself. The suspension, therefore, was not the result of treachery or bad faith on the part of the banks, but was the result of circumstances over which they had no control, and of the destruction of confidence produced by no fault of theirs.

These banks are now as able, with the aid and confidence of the Government, to perform all the duties required of them as they were before. We have the testimony of the President and the Secretary of the Treasury that they performed them as well as the Bank of the United States. They are capable of doing the same again in the same way. I am not, therefore, prepared to say that, on account of the calamity which has befallen the country, the experiment has failed, and they ought not to be employed a second time. No, sir; such a catastrophe may not occur again in the course of a century. One reason assigned for it now

was the existence of an enormous surplus in the Treasury. This cause is not likely to exist hereafter, for every man is willing to bring down our receipts to the measure of our wants; and under that, as a general rule, such a catastrophe might never happen again. The banks have abundance of means to meet all their engagements Such being the case, all that is necessary is, to create confidence, to restore confidence, and they will be found able to perform all that is required of them. Let that confidence be extended to them by the Government in good faith, and let them be placed on their former footing. Let the Government pursue a system which has been tried, and which we know will prove effectual, instead of attempting an "untried expedient," the disastrous consequences of which cannot be anticipated, and which, I fear, imagination can scarcely depict.

This new experiment consists in a "divorce of bank and State." This is a mere catch-phrase, which was originally introduced by artful and designing politicians to impose upon the credulity and honesty of the people. Many have adopted it without reflecting or inquiring as to its import, or its consequences. First impressions are favorable to it; it summons to our recollection our early impressions of a "divorce of church and State." But it is the duty of wise statesmen and discreet politicians to consider well the evils which must follow the adoption of any system heretofore untried and of doubtful policy, however euphonious the phrase may be which designates its character before the people.

The proposition contained in these few catch-words, strikes at the very foundation of the credit system of the country. It does not stop with the destruction of bank credit, but strangles, in its withering grasp, commercial credit also. It establishes a depreciated paper currency for the people, and an appreciated specie currency for the incumbents of office, and for Government contractors. It gives the baser currency to the master, and the "better currency" to the servant. In a Government like ours, it is impossible long to preserve our institutions or our liberties, if such distinctions are to prevail. It separates the Government of the people from the people themselves, as if those whom the people have chosen to direct their affairs were of a superior order, or distinct class in society, endowed with peculiar privileges byond the rest of the community. It has a tendency to alienate the affections of the people from the Government. They will come to consider it not as a Government identified with their feelings and interests, but as something foreign to them. This is not all. The Government itself will lose, in a measure, the idea of dependence on the people. This want of dependence is too much felt already. Put this additional power into its hands, and the identity of interests which exists, or ought to exist between them, is done away.

The Senator from North Carolina [Mr. STRANGE] admits that the people will, under this system, have a depreciated currency, whilst the Government will enjoy the benefits of gold and silver, whatever they may be. But he says they make that currency for themselves—they need not take it except at their own option. Sir, it is the common ordinary currency of the country. It has hitherto been good enough for the Government, for the people, for us all; but now, by your own act, you depreciate it, and, after making it the worse currency, you leave it to the people, and take the gold and silver to yourselves! The result is, that you give to the servants of the country a kind of money worth more than the people's currency. You isolate the Government, so that it becomes no longer a part of the people. You reverse the relation which has always existed between them: the Government becomes the master, and the people become the servants. By this means, the salary of every officer is raised several per cent., according as specie is more valuable than paper; and this difference, too, created by your own act! Sir, it is a distinction which will not be tolerated; and those who undertake to make it, will find, in the end, that they have presumed too far on the want of intelligence, and on the subserviency of the people of this country.

But, the project does not stop here. It does not merely give to the people a depreciated currency, but, by-and-by, they will be deprived of any currency which will be adequate to carry on the business of the great and diversified interests of this community. Under this system, the specie of the country will be drawn from circulation, and from the vaults of the banks, where it is the basis of circulation and of confidence, and deposited in these sub-Treasury vaults, till the country is left without a sufficient circulating medium to transact its ordinary business. The farmer, the merchant, the manufacturer, and the mechanic, will be unable to command the means to pursue their ordinary avocations, no matter what their property may be. They may be rich in houses and lands, in goods and merchandise, in manufactures and machinery, in materials, in tools and implements of trade, nay, they may possess the best of bonds and mortgages, and every species of stock which has heretofore been deemed equivalent to money, and still they will be unable to carry on their ordinary business for want of a circulating medium by which to transact it. Credit is the poor man's capital, as well as the auxiliary of the rich. Deprive him of this, and his habits of industry, his character for probity, his good name and reputation avail him nothing. He has no means by which he can rise above the ordinary occupation of a day laborer. With a growing family, and the increased expense of living, he is doomed to abject poverty, without the slightest hope of ever gaining that standing and that condition in society which a "well-regulated credit system" always holds out to the enterprising, the honest, the industrious portion of the community.

Sir, this sub-Treasury scheme strikes at the very root of our prosperity. It not only separates the Government of the people from the people themselves, but, in its practical operation upon the credit and currency of the country, it reduces the price of labor—it depresses every species of property. The farmer who has given $5,000 for his farm, and paid $4,000, will have it sold from under him to pay the $1,000 which remains due on it. The day laborer will be compelled to receive shillings where he formerly received dollars. Such will be the practical effect of this scheme, if carried out to its legitimate consequences. Why, then, adopt it, when it must result in disasters which no imagination can paint? It will carry home to the business and bosoms of the community "a spectacle of horror which cannot be overdrawn." Let no one be deluded with the vain hope of better times under such a system. The scenes of trial through which the country has passed, are mere holy-days compared with what will follow its adoption. The great distress has hitherto been confined to our commercial cities and manufacturing towns. Those scenes will be renewed. That hope which has hitherto sustained them will become extinct. That little confidence which remained will be taken from them. By the action of the Government, the banks will be compelled, in self-defence, to call on their debtors. They will be unable to give farther indulgence. Business must, of necessity, be brought to a stand, and one universal bankruptcy ensue. The distress which has heretofore prevailed in the large towns will extend to the country. The farmer will find no market for his wool, his grain, and other products, or, if he does, it will be at a price which will not pay the cost and labor of production. The merchant will be compelled to suspend business, the manufacturer to close his establishment, the mechanic to dismiss his hands, and the laborer to go without employment. I warn the country, and the farming interest in particular, against these utopian schemes, which will sap the very foundations of their prosperity and of their hopes. By this scheme, the confidence of the Government is not only withdrawn from

our banking institutions, which furnish a currency for the people, but, by receiving nothing but gold and silver in the payment of public dues, the very basis of the currency which remains is withdrawn also. Thus the people are left to return, comparatively, to a state of barter, whilst their servants are enjoying a currency vastly increased in value by the very depreciation and deprivation of the other. It is a scheme to make the rich richer and the poor poorer.

But, sir, why this warfare against the banking institutions of the country? For, disguise it as you may, it is no more nor less than a war upon the whole banking system. Gentlemen may not be willing to avow this; they may not intend it. I feel well assured that the President does not so intend it. But, I will venture to say that, if a scheme was devised for the express purpose of subverting the entire banking system of the country, it could not be more skilfully planned than the one which is now under consideration. It meets the cordial approbation of those who have all along been in favor of abolishing all banks; and for the very reason that it is so well calculated to accomplish that object. I shall endeavor, at the proper time, and before I conclude my remarks, to show how this is to be effected.

Sir, I am aware of the prejudices which honestly exist with a portion of the community against any thing like "associated wealth." I am aware how easily those prejudices may be wrought on by demagogues and designing politicians. But, those who are sent here to legislate for the great interests of the country should be extremely careful how they minister to such prejudices. Whilst it is admitted that the banking system has its evils, its superior benefits, nevertheless, recommend it to the candid consideration of every statesman and patriot. It should be his object to correct the evils and retain the benefits. "Preserve and regulate, but not destroy," should be his motto. It has existed and been recognised from the earliest foundation of the Government down to the present time. It has been identified with the interests of the Government. These institutions, in some shape or other, have been employed by the Government during that whole period. It is through their agency and instrumentality that these much-abused and despised merchants have been enabled to pay into your coffers the vast amount of revenue which has sustained you in peace and in war. Yes, these very merchants who have been represented as men not to be relied on in times of peril —whose patriotism is in their leger, and whose field of glory is in their counting-room—men who are the most forward in the pursuit of gain when all is peace and quiet, but who shrink from responsibility when danger presses. Sir, I have, for a long time, looked with horror upon the ruthless warfare that has been carried on against the mercantile interest. I have seen with alarm the attempts which have been made to set up other portions of the community against them. I have heard them branded as swindlers for collecting their honest dues at home, and as traitors for paying their honest debts abroad. Sir, the interests of all classes in this country are reciprocal. Neither the farmer, the manufacturer, the mechanic, nor the merchant can get on advantageously the one without the other. But, it is to the merchant, more especially, that the Government must look for the immediate means of support. It is the merchant that stands between the Government and the consumer. It is the merchant that shoulders the responsibility and pays into the Treasury the enormous amount of revenue which keeps the whole machinery of Government in motion. It is the merchant that maintains the credit of the country abroad, by the scrupulous fidelity with which he endeavors to meet all his engagements. In short, the character of an American merchant is a passport through any country in the world. And still this class of citizens, that command universal respect abroad, cannot be relied on, in times of peril at home! Sir, in what period of our history have the merchants been obnoxious to this charge? None were more patriotic during the revolutionary war—none contributed their means more largely or more freely. And who, let me ask, occupied a prouder position during the late war? When the credit of the Government was at its lowest ebb, who furnished the means to carry on the war? The merchants. When the Government wanted money, and could not command it on its own responsibility, who stepped in to its assistance and provided a credit on which it could be raised? The merchants. Yes, sir, when your troops were famishing for want of supplies, and disheartened for want of pay, when you could not raise a dollar on your own credit, it was the merchants, through these much-traduced and vilified banks, that took your depreciated paper which had no currency with the people, and gave their own in exchange, in which the country had confidence. Sir, I am tired of these incessant efforts to excite one portion of the community against the other. There is no class to whose patriotism you may not appeal when the country requires their services. The agricultural interest, from the very nature of their employment, will always stand pre-eminent. But, it is to the merchants, more than any other class, that you are to look for the ready means to aid you in time of war. Sir, they have always responded to your call. They were never found wanting in the most perilous periods of your history. Whatever of glory, or of honor, or of prosperity this nation enjoys, it is indebted in no small degree to the patriotism of the merchants. They have contributed their full share towards establishing your national character at home and abroad. They will continue to sustain it, until their broken and subdued spirits shall think it no longer worth preserving.

Sir, the great desideratum in this as well as in every new country is *capital* to carry on its business. This cannot be found to the extent that it is desired. In our own country we have all the substantial elements of prosperity: with an extent of territory surpassing the proudest kingdoms of Europe; with every variety of soil and climate; with popular institutions, and a free Government, and combining all the advantages which make up the sum of a people's happiness and a nation's greatness; we lack but the capital necessary to bring all these elements into life and being. This can only be obtained by well-regulated banks and by paper credit; credit is the only substitute for capital in a new country. Old countries, where capital has been accumulating for ages, may more easily dispense with it; but a new one, like our own, cannot do without it. Look to western New York for its magic influence. See it in a few years converted from a wilderness to fruitful fields. Look to the Western States, now exhibiting the proud evidences of rapid and progressive improvement, where but a few years since there was no trace of civilization. By its means the whole country is more than half a century in advance of what it would have been without it. This system of credit has heretofore been appreciated by our own people, and I trust it will continue to be appreciated by them, notwithstanding the efforts that are making to undervalue it, and eventually to prostrate it. It has been, perhaps, still more appreciated abroad than by us. It has become the admiration of all Europe. For a time, the infant strides of our young and growing republic astonished the world. The old Governments of Europe saw us springing, at one bound, from childhood to the manhood of our existence. They saw that credit was the nurture of our infant growth, as well as the support of our maturer years. To this cause, some of the ablest writers of Great Britain attribute our unparalleled improvement in all that renders a people prosperous, and a nation powerful. I cannot forbear, on this occasion, to quote the language of one of them:

"Every body knows that the States of the Union embrace a territory, most of it of the highest fertility, equal

to the surface of all Europe, including Russia, on this side of the Ural mountains, about eighteen times the whole area of France, and *thirty times that of the British islands.* In this immense territory there is a population of about twelve millions of men, almost all active, industrious, and energetic, doubling every thirty years, and capable, if sustained at the same rate of increase, of producing, in two centuries, two hundred millions of human beings in comfort and happiness. What, then, is wanting to sustain the fortunes of a State in such unparalleled circumstances of abundance? Nothing but CAPITAL. This, however, is indispensable; and it is obviously impossible, even with the most industrious, saving, and active population in the world, that the existing wealth can be proportioned either to the boundless extent of waste land capable of cultivation, or the constantly increasing wants of a growing and indefatigable people. It is in such a state that the utility of banks and paper credit is most strongly felt, and that a paper circulation, based on sound principles, becomes an indispensable element in the progress of social improvement.

"Banks are the great instrument by which integrity and talent supply the want of capital; by which prudence and industry, setting out on the basis of paper credit, attain at length to the solid advantages of substantial capital. Such a system quadruples at once the active capital of the country, by producing a paper capital based on credit, which, as long as that credit remains unshaken, answers all the purposes of encouraging industry just as well as the metallic treasures of Mexico and Peru. It prevents a large portion of the national wealth from being absorbed in the unprofitable and unproductive form of a metallic currency, and provides for the necessary circulation at a fifth part of its cost. Old States, in which capital is redundant, and all home employment nearly filled up, may dispense with a paper currency, just as the finished scholar may discard the rudiments, or the accomplished equestrian forget the lessons of the *manege;* but, till that last stage has arrived, it is the greatest act of national insanity to destroy or restrain, except within those limits which the public safety requires, the invaluable ally of a paper circulation. It has quadrupled in the last half century the wealth of Scotland, and multiplied ten-fold that of America. But for the powerful impulse given by the advances of bankers, and the large capital which they put in motion, the industry of the United States, instead of having long ago crossed the Allegany mountains, and given birth to four millions of men in the valley of the Mississippi, would have been still slowly advancing along the shores of the Atlantic, and not yet have pierced the profound solitudes of the Ohio or Missouri."

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"And it is apparent that such establishments, if rightly understood, are eminently favorable to the progress of freedom, and the real interests of the working classes. Capital—solid wealth—is ever essentially aristocratic. It never can be very generally or widely diffused, at least in large masses; and, therefore, banks which lend a helping hand to enterprise and activity in the earlier and more eventful periods of their career, and enable them to maintain the struggle with older establishments, having the advantage of long-tried connexions and realized wealth, are eminently favorable to the popular classes, and the best support to the cause of liberty. Without banks, a commercial State must ever speedily fail, and ever has fallen, under the dominion of a few overgrown mercantile establishments; industry and activity can never maintain their ground in the competition from want of capital. The banker with his notes has done as much for the cause of freedom as either the printer with his printing-press, or the schoolmaster with his grammar."

To this authority, permit me to add that of the philosophic and liberal democratic French traveller, Mr. Chevalier:

"Credit is the primary element of life in the United States; they literally live on it. Without credit, those populous towns which arise on all sides, as if by enchantment—these rich States which fringe the margin of the Atlantic, which stretch to the west of the Allegany, and extend along the course of the Ohio and the Mississippi, would have been still savage forests and bottomless morasses."

* * "The banks have acted as the lever which has enabled the Americans to establish among themselves, to their own great profit, the agriculture and industry of Europe, and which has covered their territories with cities, canals, railroads, manufactories, and fertile fields; in a word, every thing which constitutes civilization. Without the banks, the cultivator would have been destitute of capital for his most necessary advance; he would have had no instruments for the clearing of his farm; and, if the system has led in many cases to absurd and gambling speculations, it is the same system which has enabled the farmer to purchase land for two dollars the acre, which he afterwards sold for ten or a hundred. The mechanics, who are now so loud in their condemnation of the banking system, forget that it is to that they owe the industrial activity which has enabled them to earn from five to eight shillings a-day of wages. They forget that it is it which has furnished them with the means, of which so many have availed themselves, of rising to opulence and comfort; for, in America, every enterprising man, who can give the guarantee of a tolerable character, is sure of obtaining credit, and thus has the means of making his fortune."

Such are the views of enlightened foreigners in regard to the banking institutions of our country. I know the system may be abused. No one is more desirous or more anxious to correct those abuses than myself. No one would go farther to throw around it additional guards and additional restraints. No one is more solicitous to enlarge the specie basis, and thereby render more stable our paper circulation. But it is this indiscriminate assault upon the whole banking system of the country to which I object. It is this attempt to excite the prejudices and passions of the people in regard to them to which I am opposed. It is this spectre of an exclusive metallic currency, which still flits across the vision of certain gentlemen, against which I protest. For, disguise it as you may, "to this complexion we must come at last," if the schemes which are now on foot can be carried out. But they cannot be carried out. There is a physical impossibility to their success in a country like ours. Still, I am unwilling that the country should pass through such an ordeal. I am unwilling that the present generation shall be killed off for the sake of making a doubtful experiment for the benefit of posterity.

Sir, I was surprised to hear the Senator from North Carolina [Mr. STRANGE] condemn our whole banking system as an utter absurdity, and which he predicted would be looked upon by those who come after us with as much astonishment as we look upon the South Sea bubble. In this enlightened age, at this late period of our history, after what we have seen of the effects of the credit system upon the country, with the evidence of our own senses, and the testimony of all Europe in favor of it, I confess my amazement at hearing such sentiments uttered on this floor. I have not language, consistent with the high respect which I entertain for that honorable Senator, [Mr. STRANGE,] to express my astonishment; and I, therefore, can only say,

"'Tis *Strange*, 'tis passing *Strange!*"

The tendency of this scheme is to bring the country, virtually, to an exclusive metallic currency. Whatever gentlemen may say on this subject, this wild and visionary theory is gaining ground with a certain portion of our population. It is propagated by reason of the countenance which it is supposed to receive from men in high places. Meetings have been held in New York and elsewhere, at

which an exclusive metallic currency has been resolved on as the only true policy. All paper money of every description has been repudiated, as contrary to the genius of our Government and the spirit of our institutions. In the same resolutions, men in elevated stations have been applauded by name for maintaining the same doctrines. The proceedings of such meetings have been responded to in terms of approbation, thereby tacitly acquiescing in all the principles set forth in them, and thus giving currency to them with the people. It is the belief that such principles are recognised by those to whose approval they are submitted, that excites the alarm and apprehension which pervades the rational and thinking portion of the community. It is this, too, which gives countenance to the idea that the sub-Treasury scheme is intended to bring about an exclusive metallic currency. The suggestion of the Secretary of the Treasury may also go far to confirm it. He says:

"The people of the whole United States do not, in a sound state of business and prices, need over one hundred and ten millions of an active circulating medium for all their currency. This would be a larger proportion of currency to our present population than the average has been from the adoption of the constitution; and if an exclusive metallic currency could be deemed desirable, would require only about thirty millions more than the specie which is supposed now to exist in the country."

It is true, the Secretary does not recommend this, but, under the present state of things, thinks "some paper will, probably, always be found convenient for commercial operations." Still it will be perceived that, if by this scheme, or any other, banks can be dispensed with, then, in the opinion of the Secretary, we should, with thirty millions more of specie, be able to transact the thousands of millions of business of this rapidly increasing and enterprising country. Those who make such estimates, seem to overlook the fact, that the notes of banks and specie together, form but a small part of our actual circulation; for, in one sense, domestic exchange is a portion of the circulation, and a very large portion, too, very far exceeding the aggregate of bank notes and specie. This kind of circulation is essentially promoted by bank facilities and bank credits. So that by dispensing with banks, although you should have the hundred and ten millions of specie, you would curtail, to a most destructive extent, the domestic exchange, which, after all, forms the principal circulation.

But, whether an exclusive metallic currency be intended or not, this scheme will, if adopted, virtually accomplish that object. I will take the city of New York for example. My remarks will apply, in the ratio of business, with equal force to every other portion of the Union. New York collects about three-fifths of the whole revenues of the Government accruing from customs. They have amounted in some years from fifteen to eighteen millions of dollars. But, let us assume the year 1834, which the Secretary takes as the criterion for future years. In that year the receipts of New York for customs amounted to some twelve millions of dollars. Now, I ask, how is it possible for the merchants of that city to pay that amount in specie? In what way can they command it? Even if they could procure it, it would be by withdrawing it from circulation from other parts of the country, or by taking it from the banks, where it is the basis of circulation as well as the basis of confidence to depositors. If this amount of specie was to be disbursed immediately after its receipt that would, in a measure, obviate the difficulty so far as New York is concerned. But it is not so disbursed. We all know, as a general rule, that of the appropriations for the year, there remains sometimes one-half of the amount in the shape of "unexpended balances" at the close of the year. Of course there must remain a large amount of the money which is received into this sub-Treasury unexpended. This amount, therefore, is taken out of circulation, or from the banks, and does not again go into circulation, nor into the banks. The receipts are much greater and more rapid than the disbursements. So that there must remain a large sum on hand which cannot be disbursed. Let no one, then, be deluded with the idea that this is to be a constant round of receipt and disbursement. It is no such thing. I have examined the statements of the amount standing to the credit of the Government in the deposite banks in 1834. I find the permanent average balances to be about five millions of dollars, when at the same time there was not half that amount of specie in the vaults of all the banks in the city. Here, then, we see five millions of dollars, in the shape of permanent average balances, beyond all disbursements, "salted down" in this sub-Treasury vault, of no more use to the Government, nor to the people, than if was cast "into the bottom of the deep, where fathom line has never reached the ground." Sir, it is impossible that this system can be carried into effect in the city of New York. The merchants cannot command the specie; and, if they could, it would be drawing it from distant parts of the country, and the vaults of the banks, by which the whole course of business would be disturbed and deranged from New York to the remotest points of the Union. I have said that about five millions of dollars would remain as a permanent average balance in deposite beyond the disbursements of the Government. Of the amount of twelve millions collected at New York, according to the above estimate, about seven millions would be disbursed. But, even this disbursement is not made where the money is collected. In 1834, in the whole State of New York, only $1,650,000 was disbursed within its limits. We here have the astounding fact, that while the city of New York pays $12,000,000 and $7,000,000 of that sum is disbursed, only $1,650,000 is paid out within the State. I am not complaining that a larger sum is not expended there—for those expenditures must be made where the interests of the country require them—but I am complaining of the proposed system by which you require this enormous amount to be paid in specie, when so small a portion of it is paid out where it is collected. But, it is better that it be disbursed elsewhere than not disbursed at all. And we have already seen that about $5,000,000 must remain in permanent deposite, beyond the amount disbursed, and thus be buried, like the talent of the unprofitable servant, where it is of no use to the Government nor to the people, but of detriment to both. But once adopt this burial system, and where will you find the resurrectionary power that can call back to life the hourly increasing deposites in this fiscal charnal-house?

It is said, however, by gentlemen, that this money belongs to the Government, and that the people have no right to the use of it. Is this not an additional evidence of the attempt to separate the Government from the people? Is this not the money of the people? How does it become the money of the Government, as contradistinguished from the people? The Government, or the officers of Government, are the agents and servants of the people. They are mere trustees to execute certain powers committed to them—this money is collected from the people by direction of the people themselves, not for the purpose of being hoarded up, but to be used for their benefit in the disbursements of the Government, and to promote the great interests of the country. To hoard it is contrary to the spirit of our institutions, and more especially when its custody and control are given to Executive officers, where it may be used for sinister purposes by unworthy incumbents. Such a principle has never attained before in this country; the surplus revenue collected from the people, beyond the wants of the Government, has always been placed in a situation to be used for the benefit of the people. This has been done by depositing it with the banks, which have undertaken, in consideration of it, to perform certain duties

to the Government, in the way of collections, transmissions, and disbursements, without charge. This fund thus deposited, beyond the regular disbursements of the Government, became, through the banks, a useful agent in the regular commercial business of the country. It is collected from the merchants, and it is perfectly proper that they should, in this indirect way, have the use of it in their regular business transactions. By this means the whole community feels the benefits; for whatever aids the merchants in their operations, must of necessity aid, in the regular course of business, every other class in society. The merchants are the mere factors or distributors for the other classes. They are the agents, and any benefits extended to them, are for the advantage of their principals. Sir, this idea of locking up this money is a new one. It has not prevailed heretofore; its adoption now, however, is no more strange than the proposed system which is under discussion. It naturally results from it, and the one cannot be carried out without the other. President Jackson and all the friends of his administration, opposed the sub-Treasury scheme in 1834; and in 1836, President Jackson, in his message, expressed his opinion as to the use of the public money, in which all his friends acquiesced. He said:

"To retain it in the Treasury unemployed in any way, is impracticable. It is, besides, against the genius of our free institutions to lock up in vaults the treasure of the nation. To take from the people the right of bearing arms, and put their weapons of defence in the hands of a standing army, would be scarcely more dangerous to their liberties than to permit the Government to accumulate immense amounts of treasure beyond the supplies necessary to its legitimate wants. Such a treasure would doubtless be employed at some time, as it has been in other countries, when opportunity tempted ambition.

Has any thing occurred since 1836, which has altered the nature of our free institutions, so that it is now in accordance with their genius to lock up the treasure of the nation, which was so contrary to it then? Sir, I feel humbled to hear such principles avowed. I feel mortified to see some of my political friends taking a position directly the reverse of the one we have all along occupied in relation to this whole subject. If we were not committed on the record we might more easily change our ground; or if it was a mere matter of expediency we might tack about without such an accumulation of obloquy and reproach as must now rest upon us. We have heretofore treated these questions as matters of principle. We put ourselves on the record in some shape or other against the very doctrines for which we are now contending. And, from President Jackson down to the humblest member of the party, we are committed, in the most explicit manner, against the whole scheme and all its consequences, which we are now called upon to support. No party, I will venture to say, ever placed itself in so unenviable a light. How can we expect to be sustained by the people when our solemnly expressed and established principles one day are repudiated the next? How can we expect the people to embrace one set of principles one day, and the reverse of them the next? Sir, it cannot be. You must appeal to their reason. You must satisfy their judgment, and adhere to your principles when once established. The great body of the people are honest. They ask nothing, they want nothing, but wholesome laws, and a faithful administration of them. But they will not be content with such fickleness of purpose as requires them to maintain opposite doctrines at every alternate election.

Sir, I need not describe the effect of this measure on the whole country. If the banks in New York are embarrassed in their operations by it, every branch of business must be embarrassed. Those portions of the country where there is the least capital, but which have substituted credit in its place, will feel it the most sensibly. To western New York, and to the Western States it will be like a mildew. What would have been the situation of those regions but for the free use of credit? What will be their situation when credit shall be withdrawn from them? Let Western gentlemen look to it. Those States are to come in for the full share of suffering in the course of this new experiment. The money collected for public lands is to be paid in specie. But very little of it is disbursed there. There will, therefore, be a constant drain upon the Western States for their specie in the disbursements of the Government, thereby deranging all the regular business operations of the country, and keeping the public mind in constant agitation and alarm. If the money was disbursed at the places respectively in the same proportion as it is received, the evil would not be so great. It would still be deranging the natural flow of specie by arbitrary regulations, and taking it from the banks where it is the basis of circulation.

The effect of all this upon the general credit of the country cannot be fully appreciated. Our currency has generally been of about the same character and value with that of England. We should endeavor to keep it of the same value. England is the great money market, and the great money regulator of the world. Our institutions assimilate more to this than to the other portions of Europe. We are intimately connected with England in our commercial relations, and our intercourse with her is more frequent and more easy than that between many portions of our own country. Her currency, therefore, has an important bearing upon ours. The prices of property depend much upon this. It would be the height of folly for us to adopt any measures which should curtail or sink our currency below hers. It would bring on a ruinous depression of prices, and affect the interests of every owner of property throughout the country. You might as well attempt to establish a metallic currency in one of the States of this Union, whilst all the others maintained a paper circulation, as to do any thing which shall materially change ours from what is the general currency of England. I know, sir, that appeals are made to the prejudices of the people against paper money. But, see what it has done for England. It has enabled her to fight the battles of the world; for a quarter of a century she has relied on an irredeemable, unconvertible paper currency, and successfully resisted the conqueror of Europe. It has given her a moral influence which is felt throughout all nations. It has secured to her own people more practical liberty than is enjoyed in any other nation except our own. In time of war the banking institutions of England, like our own, are identified with the interests of the country. Ours are dependent on the people, and so is the Government. In such a time, we are all embarked in the same bottom, and it is idle to say that there is any diversity of interests between the Government, the banks, or the people. In the experience of this country during the late war, our banks fought our battles as much as the Bank of England fought the battles of Europe.

Sir, I cannot but look at the effects of this system upon the city of New York, as of the most fatal tendency. It must tend to curtail the operations of the banks, and add to the general stagnation of business. Already are more than fifty thousand of her population out of employment, with all the horrors of an approaching winter before them. Unless something be done to revive the business of that city, that number will be doubled, and no one can foresee the consequences of such a state of things. Nothing is now wanting but the favorable action of the Government to change the whole face of things. But the evils to that devoted city do not end there; they necessarily extend to the country. If you cripple the operation of the banks there, and thereby cramp the business of the city, the same effects must be felt by the banks and business of the country; for you cannot strike a blow at New York without its being felt in a greater or less degree in every State of the Union.

New York is the great commercial emporium; like the heart, its pulsations are felt to the remotest extremities, and whenever it ceases to beat, the whole limbs of this great body politic will become cold and lifeless.

These effects will be felt by the local banks of the several States, the stock of many of which belongs to the States themselves. If gentlemen, then, have no regard for individual stockholders, they ought to look to the interests of their respective States where the stock of the banks is thus held. This remark would apply to Pennsylvania, North Carolina, Alabama, Mississippi, Louisiana, Tennessee, Kentucky, Indiana, Illinois, and Missouri. [Mr. BENTON signified his dissent.] The Senator from Missouri, said Mr. T., shakes his head. He may have a system of banking there different from all the rest of the world, namely, that of issuing only one dollar of paper for one of specie in the vaults of the bank. If this be so, I would not willingly deprive him of the benefits of his system! But whilst I will not object to such a Procrustean bed in Missouri, I will not consent that it shall be transferred to New York, and that the honorable Senator shall stretch our man upon it and lop him off at both ends in order to fit him to his standard.

Sir, another serious objection to this measure is, that it will postpone perhaps indefinitely, the resumption of specie payments by the banks. There is no portion of the community more anxious for such resumption than the banks themselves. They have done every thing in their power to enable them to do it at the earliest possible day. They have determined that, as the stoppage was no fault of theirs, so neither shall the omission to resume be charged to their account. All that is required to enable them to resume by next spring, is the confidence and co-operation of the Government. Our foreign debt is estimated by some at about twelve millions of dollars at this time. This will be liquidated by the coming crop, and then there will be nothing in the way of the resumption by the banks, but the want of confidence on the part of the Government and the people. Without the co-operation of the Government, this confidence cannot be anticipated. If you make your collections in gold and silver, it seems to me impossible that they can resume. I have heretofore shown your current receipts into the sub-Treasury in New York to be in ordinary years about twelve millions of dollars, and that about five millions, after all the disbursements of the Government, will remain as an average balance in deposite. Let it be remembered, too, that about the time proposed for them to resume, there will be due on the merchants' bonds some five millions more, and which, under this "experiment," is also to be paid in specie! Now, sir, let me ask, how is it possible, under the present state of things, that the banks can resume, when by the last returns the aggregate amount of specie in their vaults is less than one million eight hundred thousand; and, in addition to the accruing revenue, there is to be five millions provided for the merchants' bonds. If this scheme shall be adopted they cannot resume. Let, it therefore, be distinctly understood that it is the fault of the Government, and not theirs, if they do not resume by the time I have indicated. They cannot command nor retain the confidence of the community, as long as the Government not only withholds from them the legitimate means which it possesses in the restoration of confidence, but withdraws from them their specie, which is the very foundation of confidence when once restored.

But, even if the banks should resume, they will be compelled under this system to stop again. The drain of specie from them to meet the exactions of the Government would render it impossible for them to continue. They must either suspend all business, or they must suspend specie payments. Either event would be equally disastrous. In either case, it would be death to the whole business of the country. If they should suspend specie payments again after having resumed, the Legislature would be appealed to to grant no further indulgence, but forthwith to forfeit their charters, and put their concerns into the hands of receivers. If the prejudices of the community could be sufficiently wrought on, such would be the consequence. Any one who foresaw the effect of such a course last spring, if the Legislature had not interfered, can judge of the disastrous results of such a proceeding now. And that such would be the inevitable result, if this measure of separating the Government from the banks and the people be persisted in, no one can doubt. I will not say that gentlemen who advocate this scheme design to accomplish that object, but I do say, that if a scheme was devised for that express purpose, it could not be more adroitly planned.

If the banks do not resume—and it is certain they cannot and will not, if this system be carried into effect—what will be the consequence? It is alarming to contemplate! The worst passions of ignorant men, of men waked up to blind fury by false views and false representations, will be let loose, and they would be called upon to destroy the "little monsters" which would be made to appear to their maddened zeal as the nuisances of the community! The banks throughout the country, though sound and solid institutions, will be obliged to fall under the violence of the tempest which will be made to rage against them. This will be the inevitable effects of such measures as are now proposed. If it should so happen that the State Legislatures do not come to their aid, exhibiting more wisdom towards them than Congress seems disposed to exhibit, the results I have pointed out will inevitably happen, and they will have to wind up their affairs! Again, let me ask, what would be the effects of this unhappy result? The effects are too alarming—too distressing to make it credible that there exists the man willing to inflict so much suffering upon his countrymen! The people of the State of New York, for example, are indebted to the banks more than sixty millions of dollars; there are abundant means to pay, but in the hands of receivers all would be sold, and the property would be sacrificed; the receiver would buy the whole, as no one would have the means to buy. Can it be believed that gentlemen wish to see a scene such as this? My State (said Mr. T.) is so deeply concerned in the effects which will flow from this measure of the Government, that I can see already, as plain as the sun at noonday, that it would even be better for the country that a tornado or an earthquake should spread its desolation around, than that we should have this scheme inflicted upon us!

Why bring forward such a system as this, when, by the testimony of the President himself and of the Secretary of the Treasury, the State bank system worked so well? Such a crisis as the present may never again occur: it is an exception to a general rule, and who will not acknowledge that a worse guide for legislation than exceptions to general principles could not be procured? Again, what is there in this new system better than in the State bank system? What improvement has it met with since the day when it was held in the utmost abhorrence; when it was denounced by the party, and when it could only command 33 votes in the other House? How is it now suddenly discovered to be so much better than a system which, by the declaration of the best authority, answered all our anticipations? When this very same scheme was brought forward in 1835, we all of us believed that the public money would not be safe in the custody of officers of the Government, what reason is there now to change our minds, and to think that it will be safe there? But the President says we can construct a vault as firm, as strong, and as solid, as the vault of a bank. Yes, certainly, (said Mr. T.,) we have no deficiency of mechanical means to make such a one, but who are to be its guardians? And though the vault may be secure, can we be certain that the guardians will be as solid and secure, and as well

to be trusted as the vault? What security, sir, can we have for individuals? Whereas, when the money is deposited in banks, all the credit, and capital, and resources of those banks are pledged for the safety of the deposites, and are a certain guaranty of their safety! Such is the security afforded by the banking system; but by the sub-Treasury system, we have nothing but the naked, bare security of individuals? And who can tell, sir, what sort of an individual this may be? What honest man will be eager to throw himself into a situation of such danger, such temptation, and such immense responsibility? Who that has a proper appreciation for his family and children would be willing to assume duties of such a dangerous character? If the vault were plundered, he, let him be ever so innocent, will be immediately pronounced guilty; thenceforth he is a ruined man, his family ruined, his name a mark for disgrace, and himself an object for the finger of scorn to be pointed at! No prudent man who has a proper regard for his character and reputation, would be found ready to accept such an invidious and dangerous post.

But the President informs us that, on an average, there will not be above $30,000 as the sum to be placed in the custody of each officer. This is a most fallacious idea. It is true, if you take all the officers and then strike an average, it might be that no more than that sum would fall to the share of each to take care of, but there must be large amounts concentrated at a few particular points, and it is not in the nature of things possible to spread out the whole revenue in such equal portions throughout this extensive Union. Or if the average was to be forcibly maintained, by removing the excess above the $30,000 from one officer to other officers in other places, who can tell the disturbing effects which would follow from such transfers? I am surprised, therefore, that any one for one moment could linger upon this idea, as affording an argument for the safety of the public money under this system. We are told again that we have other pledges for the safety of the funds, in the sureties which each officer will be required to give to the Government for the funds committed to his care. I look upon the sureties to be given, as affording no security whatever. Men will not be found ready to sacrifice their property, and abandon it all to the Government in payment for what they have neither eaten nor drank; and when they put their property out of the reach of Government, they will only be praised for their care and prudence by the people of their neighborhood. What security, then, is afforded on this ground? Not an atom!

Gentlemen are very anxious, apparently, for this divorce, as they are pleased to term it. I would remind them, however, that whilst they are talking of a divorce, they are getting up an incestuous union between members of the same family—a marriage which is unlawful; and which I would say comes within the Levitical degrees, and therefore ought to be forbidden.

This union which is now proposed is a most unsafe and dangerous one. It reminds me of an anecdote of a captain of a packet with whom I was acquainted, who informed me that he always found it indispensably necessary for the safety of the ship's stores, to have his cook and his steward of different families, and if possible of different colors, and if he could get up a fight between them, it was all the better; for if they were connected together in a common bond of interest or affection, the stores were apt to be wasted. So here, I think our stores, the stores of the ship of State, will not be safe, if a union takes place between the Government and the public Treasury, which ought to be separated in different sets of hands, and those, too, antagonist hands.

The officers to be employed under this system, so far from being antagonist to the Government, are officers appointed by the Government, entirely dependent on it, and who may be removed by its fiat at any moment from their offices. There is positive danger in the scheme. All the deposites of the public money, all the Treasury, together with the other Executive powers, will now be united in the same family, and in the same hands. I see no security, but absolute insecurity, absolute danger, in the proposed system. But let us consider the chances of security which the system offers for the safety of the public moneys. The Senator from North Carolina tells us the public funds will hardly fail to be safe, for if the officer should appropriate them to his own use, he may be hung up by the neck until, to use the forcible repetitions of that gentleman, he is dead, dead, dead! What security is there here, sir, when the money is already gone? Will the dead body answer any of the purposes of security? Or does the gentleman really imagine that the penalty of death itself will prevent the possibility of defalcation? Does not the experience of all countries show that the severest penalties do not operate as preventives of crime of any kind? We have only to look to our own country for illustrations of the insufficiency and insecurity of the proposed system. What, for example, is thought to be the best system for the collection of the tolls on the New York canals. It is the system of deposite with the banks. The money is rapidly brought into the banks, and the least possible means are left in the power of the collectors. The great mass of the funds collected are therefore always on deposite in the banks, which credit the Government with the amount. It is owing to this system of removing responsibility for such large sums of money from individuals, and reposing it upon banks, that from the very first period of the formation of the canals down to the present moment the State has not lost one single dollar of the canal funds, though millions and millions have been collected. If the system were proposed in the State Legislature to take the personal responsibility of the officers employed in the collection, together with security, such as is proposed to be done by the present scheme, it would not be able to command a single vote! How then can it be here maintained by gentlemen that such an objectionable plan, rejected altogether by prudent and experienced legislators, is the best plan, and ought to be adopted? There is a law now on the statute book that certain disbursing officers shall deposite whatever public funds come into their hands, in the bank nearest to them until required to be paid out. Whence comes the necessity of such a law? why does the law exist, if penalties and securities make the money as safe as when deposited in the banks?

The truth of my position is illustrated by the financial history of the Government. In 1820, Mr. Crawford, then Secretary of the Treasury, reported that the amount of revenue from customs, from the commencement of the Government to the end of the year 1819, exceeded $351,000,000. He also states that the amount of revenue lost by the insolvency of those who became bound for the payment of duties, together with the amount at that time doubtful, was not quite equal to forty-five hundredths of one per cent. upon the aggregate revenue which had accrued since the organization of the present Government! Yes, sir, the whole loss to the Government upon merchants' bonds and their sureties, in the collection of more than $351,000,000, was less than one-half of one per cent., and this enormous amount was principally collected through the agency of the banks. Yet it is these merchants and these banks that have been so much disparaged in our public discussions, as well as in the public prints. Mr. Crawford also states, in the same report, that the amount of loss from the collectors of revenue from imports and tonnage, from the collectors of the internal revenue and direct tax, and receivers of public moneys, nearly equals that which the Government sustained on the collection of

more than $351,000,000 from the merchants! He also estimates that the losses, by the misapplication of the public money by officers of Government employed in disbursing it, greatly exceed those which have been incurred in the collection! Sir, these statements present a most appalling foretaste of what we are to expect under this sub-Treasury scheme. If collectors and receivers, and disbursing officers, have swindled the Government of such enormous amounts, whilst the money was merely passing through their hands, what are we to expect when they become the permanent depositaries?

Every fact goes against the system as proposed by this bill, and at the same time every fact goes in favor of the system which it is now suddenly proposed to cast aside! Can it be possible that gentlemen wish to expose the Treasury as it will be exposed by this scheme? I do not wish to disparage our public officers or those who may be employed under this system. But, I look at human nature as it is. I look at the temptations to which they are exposed. The confidence of individuals in their own integrity may be unbounded, and they will never suspect it till put to the test of such temptations as will be presented under this system. I mean no unnecessary or improper disparagement when I say, I have no faith in the safety of the public money if this scheme goes into operation. There is danger in every stage of it. And no opportunity will pass unimproved where the temptation is sufficiently presented. There is no safety in it.

> "You may as well spread out the unsunn'd heaps
> Of miser's treasure by an outlaw's den,
> And tell me it is safe, as bid me hope
> Danger will wink on opportunity."

So far from there being no danger in the plan, there is no safety in it. But in the other there is the absence of danger.

It has been argued that the public money by being placed in deposite with the banks goes to assist them, and the gentleman who has advanced this idea thinks that it ought not to be so. But I affirm, on the contrary, that it is right and proper that the public money should answer so useful a purpose—should go to promote and assist the objects of the commerce of the country. The people are entitled to this benefit. But if you take away all the specie from the vaults of the banks, you take away their means; they will not be able to do any thing; and not only will they lose the advantage of operating with the amount deposited, but you take away confidence from them, and they can do nothing.

It is objected against the system of depositing the public funds with the banks, that they operate injuriously as a means of stimulating to speculation and overtrading. There is, however, a bill before you which will effectually prevent overtrading. I mean the warehousing system bill, by which merchants will pay the duties in cash, not on long credits, but on receiving their goods from the public warehouses. The danger of overaction, in reference to importations, will be by this system removed, as the merchants will have to pay the duties, not, as under the existing system, after the goods have been thrown into market and disposed of, but at the period of bringing them into the market, so that they will not import fresh quantities of goods before the duties are paid on former importations.

Wy do gentlemen wish, after the experience of a good system, to adopt a new experiment? for let it be remembered, the banking deposite system has worked well, and the present crisis is truly an exception to a general rule. You might as well say when a steamboat had burst its boiler, that we ought, in consequence, to abandon the use of steam, and in place of it try the experiment of balloons. The consequence would be we should come down again to our mother earth with broken bones or with a broken neck. Such, indeed, will be the result of the adoption of this scheme.

There is no other mode to enable the banks to resume specie payments than the mode proposed by the Senator from Virginia, [Mr. RIVES.]

This amendment will create confidence, and when confidence is revived they will be able to resume. That time is not far distant if the confidence of Government was not withdrawn from them; but if the measure of this bill is carried into effect it will be impossible for them to resume.

With respect to the subject of Executive patronage, it is not my intention to detain the Senate with any remarks upon this part of the scheme. What the Senator from Virginia has said upon it is forcible and conclusive on this point. Let us, however, bear in mind, that we are not now legislating either for the present or for the past, but for the future. I apprehend no danger from the present Executive. In him I have perfect confidence. I have known him from early manhood walking within the bounds and limits of the constitution; but the day may arrive when the chair of the Chief Magistrate may be filled by an individual ready to abuse his trust, and then our action will have furnished him with the means and the power.

Mr. President, this is a most important crisis in the affairs of the country. I wish other gentlemen could appreciate it as I do. We might then avert the evils which are impending over us. Sir, we are asked to adopt a system, which I fear will prove most disastrous in its results if carried into execution, but which I apprehend it will be physically impossible to execute. I will not attempt to describe the consequences of such a state of things. I hope my anticipations may not be realized; but I look forward to the consummation of this measure with the most painful forebodings. And I shall be happily disappointed if it does not involve the people, the country, and its institutions, in one great and common calamity.

When Mr. TALLMADGE had concluded,

Mr. STRANGE offered a few explanatory remarks in reference to what he had said yesterday, for the purpose of correcting some unintentional misrepresentations which the Senator from New York [Mr. TALLMADGE] had made.

Mr. TALLMADGE replied, that nothing was farther from his intention than to misrepresent the gentleman, and if he had misapprehended him, he regretted it, and stood corrected.

Mr. CALHOUN rose, and observed that there were now only two plans proposed, both which were before the Senate. The first of these was the bill reported by the Committee on Finance, together with the amendment proposed by himself, (Mr. C.,) the other was the plan proposed on a former day by Mr. RIVES. Between these two plans, the Senate had now to choose. If Mr. C. fully understood the plan offered by Mr. RIVES, it appeared to him subject, at first view, to an usuperable objection. The honorable Senator proposes to offer to the banks the condition that, if they will resume specie payments, their notes shall be exclusively received by the Government, while the notes of all other banks which do not resume shall be excluded. It appeared to Mr. C. to be a question whether, by such terms, we should not be entering into a compact with those banks which resumed; and what sort of compact would it be? It was no less a compact than this, namely, that the Government engages to surrender the great and invaluable privilege of endorsing the notes of those banks forever. Mr. C. put it solemnly to the Senate and to Mr. RIVES if they were willing to make such a compact. It was only the other day he had heard the deposite law urged as being a compact not to be violated. Only the most vigorous banks would be able to profit by this compact; and could any one not perceive the operation? There would be a combination of banks in order to obtain to themselves the privilege; they would combine to prepare for resumption, and to prevent the other weaker banks from resuming. Such was Mr. C's view of the case. Did not Mr. RIVES see what

would be the effect? The Bank of the United States has means; it is strong; and would not his measure offer a chance to that bank, an inducement to make great sacrifices in order to obtain the privilege? And, if it did so, then what would be our condition? We should then have a Bank of the United States! We should have a United States Bank, too, in a worse form than the local banks, bebecause it would be without any control from the Government. If Mr. C. was right in these views, then, of the two plans before the Senate, that of Mr. RIVES being thus defective, we had no choice but to take and adopt the plan of Government, viz. the sub-Treasury system, a divorce from banking institutions, and the reception of nothing but gold and silver. Mr. C. thought it was a duty of the Government to receive nothing else but gold and silver, be cause it was its duty to prevent the recurrence of another catastrophe similar to the present, and he thought this plan would prevent it. If the divorce was not now made, when could it be made? Now was the time, or never. If Government was not divorced from the banks, where would it end? In a few years, we have proceeded, from a small number of banks, to eight hundred, and when would it stop? He thought never.

Mr. RIVES expressed himself astonished at the views he had just heard brought forward by Mr. CALHOUN. Astonished from various causes, and, above all, because they were in direct contradiction, not only to that gentleman's words, but also to his actions. Mr. CALHOUN had gravely told the Senate that his (M. RIVES's) proposition was a compact! That, if it was adopted, then in all future time the Government would be bound to receive, yes, absolutely bound to receive the notes of the banks. This declaration on the part of that gentleman was the more surprising when we consider that Mr. CALHOUN himself had brought forward a proposition to violate a simalar compact, (if any compact be implied in the proposition he (Mr. R.) had submitted.) How could the honorable Senator talk of perpetual and binding compacts when his own proposition goes to violate the compact, which, if there be any in his (Mr. R's) proposition, equally exists in the joint resolution of 1816? The proposition of Mr. RIVES was identical with the resolution of 1816, which was at this moment the law of the land, (a compact, if the gentleman pleases,) which law he now brings forward a propositon to overthrow, by excluding altogether the notes of specie-paying banks, and yet talks of the sanctity of a compact! If his (Mr. R's) proposition was a compact, the resolution of 1816 was one also, and Mr. CALHOUN's proposition went to violate that compact. What Mr. CALHOUN participated in doing in 1816, he now calls inadmissible, and says that it is subject to insuperable objection. Does the honorable gentleman forget that he himself, as chairman of the Committee on Currency, in 1816, reported a bill of pains and penalties against the banks if they did not resume specie payments? And now he professes to be opposed to coercion! Did he not propose a stamp tax on the notes of banks which should not resume? Did he not also support the resolution of 1816? If the present proposition was a compact, was not the proposition he then supported a compact too? But did he then treat it as a compact? Does he now regard it as a compact, with a bill in his hand to repeal it? The resolution of 1816 made the notes of specie-paying banks receivable; his (Mr. R's) proposition did the same thing. There is no difference between the two, and he invited M. C. to make the comparison and to point out any difference.

Mr. RIVES farther remarked that it was not necessary for him to go into general considerations on the subject of the bill (introduced by him,) as he had already said all he could well say without repeating. But he thought it extraordinary that the Senator from South Carolina [Mr. CALHOUN] should speak of the bill as entirely inefficient, when he himself had asserted that the credit of bank paper was derived exclusively from its endorsement by Government, by its receiving it for the public dues. [Mr. CALHOUN. If I said so, it was not my intention; it was a most absurd thing to say.] Mr. R. resumed. It was sufficient that the Senator now diavowed it. Mr. R's own opinion was that a certain degree of credit was derived by bank paper, by its being received for the public dues, but not the whole. It was his idea at the last session of Congress, when he introduced a bill similar to this, that it would have a certain degree of influence on the credit of bank paper; and it was his anticipation that the legislation of Congress on the subject would constitute a standard to which public opinion might rally, and to which the Legislatures of the States might conform. Mr. R. wanted here a model of legislation on the currency, to which the States might adapt their action, and gradually and progressively suppress the small notes. A proposition to that effect had, he understood, been heretofore made by the Secretary of the Treasury to the deposite banks, several of whom had signified their willingness to accede to it.

As both bills (that of Mr. R. and the sub-Treasury bill) had reference to the same general object, and as the honorable Senator regarded his amendment as the principal provision to be embraced in the bill, and as constituting the principal difference between the two measures, Mr. R. would beg leave to conclude by moving, if it was in order, that the whole sub-Treasury bill, after the enacting clause, should be stricken out, and that Mr. R's bill, making the notes of specie-paying banks, under certain limitations, receivable by Government, should be inserted in lieu of it.

Mr. CALHOUN said this was not in order; the question (on Mr. C's amendment) now before the Senate must be put first.

That the Senate might judge between the bill introduced by the Senator, and the resolution of 1816, he would ask permission of the Senate to read that resolution. [The resolution of 1816 was then read.] This resolution, Mr. C. said, it appeared to him, simply directed the Secretary of the Treasury to receive nothing but gold and silver, Treasury notes, and the notes of specie-paying banks. But this bill went further, and excluded the bills of all banks that should not resume specie payments by a given day. There was something onerous to be performed by the banks; and the inducement was, that if they would do it by a given day of the year, their notes would be received, to the exclusion of all other banks. Now, said Mr. C., if the United States Bank of Pennsylvania, and the strong banks associated with it, which only, Mr. C. maintained, would so manage as to resume specie payments on the given day, and thus become exclusively entitled to the benefits of the bill; if they only should thus conform to the requisitions of the act, would it be good faith to repeal it the day after? Mr. C. said he was not a lawyer, and he therefore did not feel competent to judge in the case. But he thought that if just expectations were excited by the bill when enacted, those expectations would possess the nature of a compact. The expectation in this case would be, that their notes would be exclusively received for the public dues. This was a powerful temptation to them, and well might they try to resume specie payments, to borrow abroad, and press their creditors for such a boon. They would draw on the weaker banks, and embarrass them so that it would be impossible for them to resume; and they only (the United States Bank and its associates) would seize the golden prize.

There was no such promise as this in the resolution of 1816. That resolution came originally from from the Senator from Massachusetts, [Mr. WEBSTER,] and received Mr. C's sanction; but he never dreamed, nor did he now think, that it had the slightest appearance of a compact. If it had, Mr. C. was in great error; and he was glad and thankful to the Deity that circumstances had swept away

such a compact, and without a failure on the part of Congress.

The Senator rested wholly on the point of a virtual compact, the existence of which, should the bill pass, Mr. C. had alleged; and had not touched the other points to which Mr. C. had adverted. The possible incorporation by Congress of the United States Bank of Pennsylvania, Mr. C. thought, might be worthy of his consideration.

Mr. RIVES said, with all deference to the advantages of the honorable Senator, he (Mr. R.) could not see any sort of difference, either technically or practically, between the resolution of 1816, and the bill which he had introduced. The Senator's distinction was founded on the provision in Mr. R's bill, fixing a day for the resumption of specie payments. But the resolution of 1816 did essentially the same thing, naming the 20th of February, with a provision that, after that time, yet future, the notes of specie-paying banks only should be received, and excluding, of course, the notes of non-specie-paying banks.

The Senator had said that Mr. R. had not adverted to the other point of his observations. He (Mr. R.) had not the remotest idea of introducing a stipulation for the benefit of the Pennsylvania Bank of the United States; on the contrary, it was precisely the Bank of the United States that, in his opinion, was least likely to be benefited. It was Mr. R's conviction that the United States Bank was not desirous of resuming specie payments, in consequence of those commercial operations in which it had been extensively engaged, for paying off its foreign debt. It was understood to be so engaged now, and Mr. R. had no idea that the consequence of his bill would be such as Mr. C. had represented. Mr. R. was perfectly clear that there was nothing in the bill of the nature of a compact.

Mr. CALHOUN said if the wording of the resolution of 1816 was not plain, the facts were. At that time Congress had incorporated the Bank of the United States, and felt independent, therefore, of the State banks. They could go on without them, unless they should choose to fall in with the current. But Mr. C. thought this bill did create an expectation on the part of the banks. It proposed something to be done by them, which, if they did, Congress was to do something in return, and the responsibility of doing was assumed on their part. Mr. C's colleague had insisted that there was a virtual compact between the Government and the States in relation to the deposites; though Mr. C. had regarded that as only a discretion to the Secretary of the Treasury. He believed the Senator from Virginia was mistaken in the opinion that the benefit of his bill would not be monopolized by the United States Bank and its associates. It was a high boon; and Mr. C. was certain that bank would regard the bill as a compact; and it had the capacity, through its connexion with the money holders in Europe, to fulfil the condition of the bill, and it would fulfil it, and take the benefit, and insist on the bill as a compact.

Mr. RIVES said he understood the Senator now to say that it was no part of the policy of the Government, in the resolution of 1816, to present an inducement to, and excite an expectation in, the State banks.

[Mr. CALHOUN said he meant to say that such was not the leading object of Congress; they had a bank of the United States, and could do without the State banks.]

The object was, Mr. R. said, to present to the State banks an inducement to resume specie payments. It was then thought very important that they should resume; and Mr. Dallas, then Secretary of the Treasury, urged upon Congress that they should address every inducement to the State banks to a resumption. This was then the policy of the Government; and therefore it might be said, with the same propriety as in relation to the present bill, that they had paid a valuable consideration by resumption, and were therefore entitled, forever thereafter, by a virtual compact, to the benefit of having their bills received in payment of he public dues.

But, in regard to the other matter, the high and principal consideration, of the bill probably enuring to the benefit of the Bank of the United States, the assertion was wholly gratuitous on the part of the Senator from South Carolina. He had adduced no reasons to induce the Senate to believe that that bank would resume specie payments sooner than others. They would remember certain facts that were known to all the world. They had seen the circular of the banks in New York, inviting other banks to take the preliminary steps to a return to specie payments, in which they said the banks might and must so return between the 1st of January and the middle of March. The United States Bank refused to unite in the measure, and referred the whole matter to Congress. The banks generally had manifested a design to return to specie payments. The banks of Virginia, by their officers, had given their opinion that the banks in Virginia, and throughout the United States, would be prepared to resume specie payments in January or February. My friend from New York [Mr. TALLMADGE] stated upon the authority of one well versed in such matters, that the balance of debt abroad was $12,000,000, which, by the exportation of cotton and other productions, would, by that time, be totally extinguished, and all the banks would simultaneously resume specie payments. If there was legislation on the part of Congress, fixing a given day, and that not distant, there would be no difficulty in resuming by all banks that were sound and solvent, all at the same time; and there was no evidence that there would be such a monopoly as had been intimated by the Bank of the United States. Other banks would probably resume before that, or all at the same time, in February or March.

Mr. CALHOUN said he had read the reply of the Bank of the United States to the banks of New York hastily; but he understood it to say that it was impossible to resume specie payments without the action of Congress; and that no relief could be afforded without the aid of Congress; and Mr. C. knew of no greater aid that could be rendered the United States Bank than for the Government to say that if the bank would resume it would receive its bills. The Bank of the United States was in a remarkable attitude, and had a remarkable man at its head, who was not surpassed by any financier in Europe, or any other country. This was the strong institution of the country—had more credit here and abroad than any other, and was able to turn these times to immense profit. If this new temptation were placed before him, the policy of the president of that bank would be entirely changed. No man saw more clearly the advantages of such a measure as this than Mr. Biddle. He was opposed, at bottom, to the creation of a United States Bank, lest it should overshadow his own, and he should become the mere planet of a greater corporation. There would be a real struggle with the Government, in Mr. C's opinion, were he first to receive the prize held forth by this bill. Mr. C. respected the man, for he knew he had done his duty well, and with great fidelity on behalf of the two institutions over which he had presided. He was worthy of the high destinies which he had attained; but Mr. C. would resist him more now than if he were certain there would be a new bank of the United States; and, in doing so, he would act as a Senator from South Carolina ought to act, looking back at the course which he had pursued for the benefit of his constituents and the people, not only of the whole Union, but of the particular section which he represented.

Mr. BENTON rose to offer the aid of his voice in favor of the amendment, and in favor of the bill to which it was proposed to be attached. He considered the amendment and the bill as one measure, indissolubly connected in their nature; and that the bill would be of little value, unless

the amendment was made. There might have been some difference of opinion as to the time and mode of adopting the provisions contained in the amendment—whether it should be done at this session, or at the next; and whether it should be effected by an amendatory clause, or by a separate bill. There might have been room for difference of opinion on these points a few days ago; but, since the amendment is offered, and opposed, it must be carried, or the bill itself considered as lost. He held the vote upon the amendment to be a vote upon the life and death of the bill; for it will decide whether the principle of the amendment is to become law; and if it is not, the bill becomes nugatory; for what advantage can there be in having separate keepers of the public moneys if they are only to keep the paper promises of the banks? The banks themselves, who hold the thing promised, will still be the real keepers. They will still be the treasurers. They will hold the substance, and our officers will have the shadow. They will have the money, and our officers will have the promise. They can break the promise at any time, and our officers cannot help themselves. State Legislatures may interpose, and the Federal Government cannot help itself. To make this more clear, let it be supposed that this bill, without the amendment, had been the law of the land heretofore, and had been in force in May last, when the banks stopped payment. There were thirty-two millions of public money in deposite with banks at that time, and not a dollar of real money could be got for it. Now, suppose these thirty-two millions had been received by our own officers in the notes of the banks; the result would have been precisely the same; the banks would not have paid the notes; and the acts of State Legislatures would have sanctioned the refusal; for they were just as applicable to notes as to deposites. Not a dollar could have been got upon them. The banks stopped payment on their notes as well as on their deposites. The holder of their notes, and the depositor, were alike repulsed; and thus our treasurers, holding thirty-two millions of their notes, would have been penniless.

The bill is to divorce the Government from the banks, or rather is to declare the divorce, for the separation has already taken place by the operation of law and by the delinquency of the banks. The bill is to declare the divorce; the amendment is to exclude their notes from revenue payments, not all at once, but gradually, and to be accomplished by the 1st day of January, 1841. Until then the notes of specie-paying banks may be received, diminishing one-fourth annually; and after that day, all payments to and from the Federal Government are to be made in hard money. Until that day, payments from the United States will be governed by existing laws. The amendment does not affect the Post Office Department until January, 1841; until then, the fiscal operations of that Department remain under the present laws; after that day they fall under the principle of the bill, and all payments to and from that Department will be made in hard money. The effect of the whole amendment will be to restore the currency of the constitution to the Federal Government—to re-establish the great acts of 1789 and of 1800—declaring that the revenues should be collected in gold and silver coin only; those early statutes which were enacted by the hard money men who made the constitution, who had seen and felt the evils of that paper money, and intended to guard against these evils in future by creating, not a paper, but a hard-money Government.

I am for this restoration. I am for restoring to the Federal Treasury the currency of the constitution. I am for carrying back this Government to the solidity projected by its founders. This is a great object in itself—a reform of the first magnitude—a reformation with healing on its wings, bringing safety to the Government and blessings to the people. The currency is a thing which reaches every individual and every institution. From the Government to the washer-woman, all are reached by it, and all concerned in it; and, what seems paradoxical, all are concerned to the same degree; for all are concerned to the whole extent of their property and dealings; and all is all, whether it be much or little. The Government with its many ten millions of revenue, suffers no more in proportion than the humble and meritorious laborer who works from sun to sun for the shillings which give food and raiment to his family. The Federal Government has deteriorated the currency, and carried mischief to the whole community, and lost its own revenues, and subjected itself to be trampled upon by corporations, by departing from the constitution, and converting this Government from a hard-money to a paper-money Government. The object of the amendment and the bill is to reform these abuses, and it is a reform worthy to be called a reformation—worthy to engage the labor of patriots—worthy to unite the exertions of different parties—worthy to fix the attention of the age—worthy to excite the hopes of the people, and to invoke upon its success the blessings of heaven.

Great are the evils, political, pecuniary, and moral, which have flowed from this departure from our constitution. Through the Federal Government alone—through it, not by it—two millions and a half of money have been lost in the last four months. Thirty-two millions of public money was the amount in the deposite banks when they stopped payment; of this sum twenty-five millions have been paid over to Government creditors, or transferred to the States. But how paid, and how transferred? In what? In real money, or its equivalent? Not at all! But in the notes of suspended banks—in notes depreciated, on an average, ten per cent. Here then were two and a half millions lost. Who bore the loss? The public creditors and the States. Who gained it? for where there is a loss to one, there must be a gain to another. Who gained the two and a half millions, thus sunk upon the hands of the creditors and the States? The banks were the gainers; they gained it; the public creditors and the States lost it; and to the creditors it was a forced loss. It is in vain to say that they consented to take it. They had no alternative. It was that or nothing. The banks forced it upon the Government; the Government forced it upon the creditor. Consent was out of the question. Power ruled, and that power was in the banks; and they gained the two and a half millions which the States and the public creditors lost.

The Senator from New York, [Mr. TALLMADGE,] who had just spoken with so much ability, and who is opposed both to this bill and this amendment, has predicated an argument in favor of the local banks on account of the small amount of the public money which has been lost in their hands; but here is two and a half millions in a single operation, and without going back to the period of bank stoppages in 1819 and 1814. He confines himself to direct losses, but that is a most imperfect view of the question. The full view embraces, besides direct losses, all that are incidental to the use of depreciated paper money; increased prices—disappointed operations by sea and land in time of war—and embarrassed operations in time of peace; per centums shaved off at every step; the ignorant, the helpless, the necessitous, imposed upon; and one vast scene of pushing off bad paper on each other exhibited all over the country.

I do not pretend to estimate the moneyed losses, direct or indirect, to the Government alone, from the use of local bank notes, in the last twenty-five years, including the war, and covering three general suspensions. Leaving the people out of view, as a field of losses beyond calculation, I confine myself to the Federal Government, and say, its losses have been enormous, prodigious, and incalculable. We have had three general stoppages of the local banks in the short space of twenty-two years. It is at the average rate of one in seven years; and who is to guaranty us from another, and from the consequent losses, if we continue to

receive their bills in payment of public dues. Another stoppage must come, and that, reasoning from all analogies, in less than seven years after the resumption. Many must perish in the attempt to resume, and would do better to wind up at once, without attempting to go on, without adequate means, and against appalling obstacles. Another revulsion must come. Thus it was after the last resumption. The banks recommenced payments in 1817—in two years, the failures were more disastrous than ever. Thus it was in England after the long suspension of twenty-six years. Payments recommenced in 1823—in 1825 the most desolating crash of banks took place which had ever been known in the kingdom, although the bank of England had imported, in less than four years, twenty millions sterling in gold, about one hundred millions of dollars to recommence upon. Its effects reached this country, crushed the cotton houses in New Orleans, depressed the money market, and injured all business. Why was this? Why was it that, within two years after resumption, both in England and in our America, these disastrous revulsions ensued? Loss of confidence was the cause; and that loss resulting, not from the act of Government, but from the conduct of the banks themselves. The banks had failed, and, therefore, could fail. The people had seen them fail, and, therefore, they feared they might do so again. There was no confidence in them; no more than the coachman places in the balking horse when he comes to the hill. The gentleman from Virginia [Mr. RIVES] wishes the Government to do something to reanimate confidence in these banks. Could a law of Congress inspire confidence into his coachman, and give him faith in the balking horse? No more can it be done in relation to these banks. They have stopped, universally and simultaneously, in a season of profound peace and general prosperity—no war, no pestilence, no famine—with four times as much specie in the country as ever was in it before; and this stoppage has killed confidence. It is dead by the act of the banks, and cannot be legislated into existence again by act of Congress. Confidence is a plant of voluntary and not of forced existence. It is said by an eminent man to be a plant of slow growth. We all know it to be so; and we know, besides, that when this plant is once pulled up by the roots, it rarely takes root again in the same place.

The Senators from New York and Virginia [Messrs. TALLMADGE and RIVES] push this point of confidence a little further; they address a question to me, and ask if I would lose confidence in all steamboats, and have them all discarded, if one or two blew up in the Mississippi? I answer the question in all frankness, and say, that I should not. But if, instead of one or two in the Mississippi, all the steamboats in the Union should blow up at once—in every creek, river and bay—while all the passengers were sleeping in confidence, and the pilots crying out all is well; if the whole should blow up from one end of the Union to the other just as fast as they could hear each other's explosions; then, indeed, I should lose confidence in them, and never again trust wife, or child, or my own foot, or any thing not intended for destruction, on board such sympathetic and contagious engines of death. I answer further, and tell the gentlemen, that if only one or two banks had stopped last May in New York, I should not have lost all confidence in the remaining nine hundred and ninety-nine; but when the whole thousand stopped at once; tumbled down together—fell in a lump—lie there—and when one of their number, by a sign with the little finger, can make the whole lie still, then, indeed, confidence is gone! And this is the case with the banks. They have not only stopped altogether, but in a season of profound peace, with eighty millions of specie in the country, and just after the annual examinations by commissioners and legislative committees, and when all was reported well. With eighty millions in the country, they stop even for change! It did not take a national calamity—a war—to stop them! They fell in time of peace and prosperity! We read of people in the West Indies, and in South America, who rebuild their cities on the same spot where earthquakes had overthrown them; we are astonished at their fatuity; we wonder that they will build again on the same perilous foundations. But these people have a reason for their conduct; it is, that their cities are only destroyed by earthquakes; it takes an earthquake to destroy them; and when there is no earthquake, they are safe. But suppose their cities fell down without any commotion in the earth, or the air—fell in a season of perfect calm and serenity—and after that the survivors should go to building again in the same place; would not all the world say that they were demented, and were doomed to destruction? So of the Government of the United States by these banks. If it continues to use them, and to receive their notes for revenue, after what has happened, and in the face of what now exists, it argues fatuity, and a doom to destruction.

Resume when they will or when they shall, and the longer it is delayed the worse for themselves, the epoch of resumption is to be a perilous crisis to many. This stopping and resuming by banks is the realization of the poetical description of the descent into hell, and the return from it. *Facilis descensus Averni—sed revocare gradum—hoc opus, hic labor est.* Easy is the descent into the regions below, but to return! this is work, this is labor indeed! Our banks have made the descent; they have gone down with ease; but to return—to ascend the rugged steps, and behold again the light above—how many will falter, and fall back again into the gloomy regions below.

The day of resumption will be a day of peril, and of death to many. It is a penalty which their extraordinary stoppage has imposed. Many must fail in the trial; probably a new panic and pressure take place; and those who must attribute every calamity to the misrule, the ignorance, and the misgovernment of the republican party, had as well be preparing their accusations in advance; for the contingency will come, and a cause for it must be found in the misconduct of the Government. Let them prophetize in advance, and show their capacity for political divination by vaticinating beforehand, and exhibiting now a political cause for an event to arise hereafter out of the natural progress of banking.

Banks of circulation are banks of hazard and of failure. It is an incident of their nature. Those without circulation rarely fail. That of Venice has stood seven hundred years; those of Hamburg, Amsterdam, and others, have stood for centuries. The Bank of England, the great mother of banks of circulation, besides an actual stoppage of a quarter of a century, has had her crisis and convulsion in average periods of seven or eight years, for the last half century—in 1783, '93, '97, 1814, '19, '25, '36—and has only been saved from repeated failure by the powerful support of the British Government, and profuse supplies of exchequer bills. Her numerous progeny of private and joint-stock banks of circulation have had the same convulsions; and, not being supported by the Government, have sunk by hundreds at a time. All the banks of the United States are banks of circulation; they are all subject to the inherent dangers of that class of banks, and are, besides, subject to new dangers peculiar to themselves. From the quantity of their stock held by foreigners, the quantity of other stocks in their hands, and the current foreign balance against the United States, our paper system has become an appendage to that of England. As such, it suffers from sympathy when the English system suffers. In addition to this, a new doctrine is now broached—that our first duty is to foreigners! and, upon this principle, when the banks of the two countries are in peril, ours are to be sacrificed to save those of England!

The power of a few banks over the whole present a new

feature of danger in our system. It consolidates the banks of the whole Union into one mass, and subjects them to one fate, and that fate to be decided by a few, without even the knowledge of the rest. An unknown divan of bankers sends forth an edict which sweeps over the empire, crosses the lines of States with the facility of a Turkish firman, prostrating all State institutions, breaking up all engagements, and levelling all law before it. This is consolidation of a kind which the genius of Patricks Henry had not even conceived. But while this firman is thus potent and irresistible for prostration, it is impotent and powerless for resurrection. It goes out in vain, bidding the prostrate banks to rise. A veto power intervenes. One voice is sufficient to keep all down; and thus we have seen one word from Philadelphia annihilate the New York proposition for resumption, and condemn the many solvent banks to the continuation of a condition as mortifying to their feelings as it is injurious to their future interests.

Again, from the mode of doing business among our banks—using each other's paper to bank upon, instead of holding each other to weekly settlements, and the liquidation of balances in specie, and from the fatal practice of issuing notes at one place payable at another—our banks have all become links of one chain, the strength of the whole being dependent on the strength of each. A few govern all. Whether it is to fail or to resume, the few govern; and not only the few, but the weak. A few weak banks fail; a panic ensues, and the rest shut up; many strong ones are ready to resume; the weak are not ready, and the strong must wait. Thus the principles of safety and the rules of Government are reversed. The weak govern the strong; the bad govern the good; and the insolvent govern the solvent. This is our system, if system it can be called, which has no feature of consistency, no principle of safety, and which is nothing put the floating appendage of a foreign and over-powering system.

The Federal Government and its creditors have suffered great pecuniary losses from the use of these banks and their paper; they must continue to sustain such losses if they continue to use such depositories and to receive such paper. The pecuniary losses have been, now are, and must be hereafter great; but, great as they have been, now are, and may be hereafter, all that loss is nothing compared to the political dangers which flow from the same source. These dangers affect the life of the Government. They go to its existence. They involve anarchy, confusion, violence, dissolution! They go to deprive the Government of support—of the means of living; they strip it in an instant of every shilling of revenue, and leave it penniless, helpless, lifeless. The late stoppage might have broken up the Government, had it not been for the fidelity and affection of the people to their institutions, and the eighty millions of specie which General Jackson had accumulated in the country. That stoppage presented a peculiar feature of peril which has not been brought to the notice of the public; it was the stoppage of the sums standing in the names of disbursing officers, and wanted for daily payments in all the branches of the public service. These sums amounted to about five millions of dollars. They had been drawn from the Treasury, they were no longer standing to the credit of the United States; they had gone into the hands of innumerable officers and agents, in all parts of the Union, and were temporarily, and for mere safe-keeping from day to day, lodged with these deposite banks, to be incessantly paid out to those who were doing work and labor, performing contracts, or rendering service, civil or military, to the country. These five millions were stopped with the rest! In an instant, as if by enchantment, every disbursing officer, in every part of the Union, was stripped of the money which he was going to pay out! All officers of the Government, high and low, the whole army and navy, all the laborers and contractors, post offices and all, were suddenly, instantaneously, left without pay, and consequently without subsistence. It was tantamount to a disbandment of the entire Government. It was like a decree for the dissolution of the body politic. It was celebrated as a victory—as a conquest—as a triumph, over the Government. The least that was expected was an immediate civil revolution—the overthrow of the democratic party, the change of administration, the reascension of the federal party to power, and the re-establishment of the condemned Bank of the United States. These consequences were counted upon; and that they did not happen was solely owing to the eighty millions of hard money which kept up a standard of value in the country, and prevented the dishonored bank notes from sinking too low to be used by the community. But it is not merely stoppage of the banks that we have to fear; collisions with the States may ensue. State Legislatures may sanction the stoppage, withhold the poor right of suing, and thus interpose their authority between the Federal Government and its revenues. This has already happened, not in hostility to the Government, but in protection of themselves; and the consequence was the same as if the intention had been hostile. It was interposition between the Federal Government and its depositories; it was deprivation of revenue; it was an act the recurrence of which should be carefully guarded against in future.

This is what we have seen; this is a danger which we have just escaped; and if these banks shall be continued as depositories of public money, or, which is just the same thing, if the Government shall continue to receive their "paper promises to pay," the same danger may be seen again, and under far more critical circumstances. A similar stoppage of the banks may take place again—will inevitably take place again—and it may be when there is little specie in the country, or when war prevails. All history is full of examples of armies and navies revolting for want of pay; all history is full of examples of military and naval operations miscarried for want of money; all history is full of instances of Governments overturned from deficits of revenue and derangements of finances. And are we to expose ourselves recklessly, and with our eyes open, to such dangers? And are we to stake the life and death of this Government upon the hazards and contingencies of banking—and of such banking as exists in these United States? Are we to subject the existence of this Government to the stoppages of the banks, whether those stoppages result from misfortune, improvidence, or bad faith? Are we to subject this great and glorious political fabric, the work of so many wise and patriotic heads, to be demolished in an instant, and by an unseen hand? Are we to suffer the machinery and the working of our boasted constitution to be arrested by a spring-catch, applied in the dark? Are men, with pens sticking behind their ears, to be allowed to put an end to this republic? No, sir! never. If we are to perish prematurely, let us at least have a death worthy of a great nation; let us at least have a field covered with the bodies of heroes and of patriots, and consecrated forever to the memory of a subverted empire. Rome had her Pharsalia—Greece her Cherœnea—and many barbarian kingdoms have given immortality to the spot on which they expired; and shall this great republic be subjected to extinction on the contingencies of trade and banking?

But what excuse, what apology, what justification have we for surrendering, abandoning, and losing the precise advantage for which the present constitution was formed? What was that advantage—what the leading and governing object which led to the abandonment of the old confederation, and induced the adoption of the present form of Government? It was revenue! independent revenue! a revenue under the absolute control of this Government, and free from the action of the States. This was the motive, the leading and governing motive, which led to the

formation of this Government. The reason was, that the old confederation, being dependent upon the States, was often left without money. This state of being was incompatible with its existence; it deprived it of all power; its imbecility was a proverb. To extricate it from that condition was the design, and the cardinal design, of the new constitution. An independent revenue was given to it—independent even of the States. Is it not suicidal to surrender that independence, and to surrender it, not to States, but to money corporations? What does history record of the penury and moneyed destitution of the old confederation, comparable to the annihilation of the revenues of this Government in May last, when the banks shut down, in one night, upon a revenue in hand of thirty-two millions; even upon that which was in the names of disbursing officers, and refuse a nine-pence or a picaillon in money from that day to this? What is there in the history of the old confederation comparable to this? The old confederation was often reduced low—often near empty handed—but never saw itself stripped in an instant, as if by enchantment, of tens of millions, and heard the shout of triumph thundered over its head, and the notes of exultation sung over its supposed destruction! Yet, this is what we have seen—what we now see—from having surrendered to corporations our moneyed independence, and unwisely abandoned the precise advantage which led to the formation of this Federal Government.

I do not go into the moral view of this question. It is too obvious, too impressive, too grave, to escape the observation of any one. Demoralization follows in the train of an unconvertible paper money. The whole community becomes exposed to a moral pestilence. Every individual becomes the victim of some imposition, and, in self-defence, imposes upon some one else. The weak, the ignorant, the uninformed, the necessitous, are the sufferers; the crafty and the opulent are the gainers. The evil augments until the moral sense of the community, revolting at the frightful accumulation of fraud and misery, applies the radical remedy of total reform.

Thus, pecuniary, political, and moral considerations require the Government to retrace its steps, to return to first principles, and to restore its fiscal action to the safe and solid path of the constitution. Reform is demanded. It is called for by every public and by every private consideration. Now is the time to make it. The connexion between bank and State is actually dissolved. It is dissolved by operation of law, and by the delinquency of these institutions. They have forfeited the right to the deposites, and lost the privilege of paying the revenue in their notes, by ceasing to pay specie. The Government is now going on without them, and all that is wanting is the appropriate legislation to perpetuate the divorce which, in point of fact, has already taken place. Now is the time to act; this the moment to restore the constitutional currency to the Federal Government; to restore the custody of the public moneys to national keepers; and to avoid, in time to come, the calamitous revulsions and perilous catastrophes of 1814, 1819, and 1837.

And what is the obstacle to the adoption of this course, so imperiously demanded by the safety of the republic, and the welfare of the people, and so earnestly recommended to us by the Chief Magistrate? What is the obstacle—what the power that countervails the Executive recommendation, paralyzes the action of Congress, and stays the march of reform? The banks—the banks—the banks, are this obstacle, and this power. They set up the pretension to force their paper into the Federal Treasury, and to force themselves to be constituted that Treasury. Though now bankrupt, their paper dishonored, their doors closed against creditors, every public and every private obligation violated, still they arrogate a supremacy over this Federal Government; they demand the guardianship of the public moneys, and the privilege of furnishing a Federal currency; and, though too weak to pay their debts, they are strong enough to throttle this Government, and to hold, in doubtful suspense, the issue of their vast pretensions.

And what new power is this, so formidable, and so daring, and the name of which is not seen in our constitution? Whence its origin, its progress, and its present pretensions? Sir, its origin is humble; its first progress slow; its vast pretensions of recent date. In the year 1780, the first petition was presented to the Congress of the confederation for the establishment of a bank; ten years afterwards there were but three in the country; in twenty years more there were only a few dozen; now nearly a thousand, and constantly multiplying. The first petition was bottomed solely upon patriotism, without the least design of pecuniary advantage to the projectors, and intended wholly to aid in furnishing supplies to a detachment of the revolutionary army. I will read the report of the committee of Congress upon that petition, that the Senate may see the progress which banks have made since that day, and the change which has since taken place in their character and views.

CONGRESS OF THE CONFEDERATION, June 22, 1780.

Report of a committee.

"Whereas, a number of the patriotic citizens of Pennsylvania have communicated to Congress a liberal offer, on their own credit, and by their own exertions, to supply and transport three millions of rations, and three hundred hogsheads of rum, for the use of the army, and have established a bank for the sole purpose of obtaining and transporting the said supplies with the greater facility and despatch; and whereas, on the one hand, the associators, animated to this laudable exertion by a desire to relieve the public necessities, mean not to derive from it the least pecuniary advantage, so, on the other, it is just and reasonable that they should be fully reimbursed and indemnified: *Therefore, resolved,* That Congress entertain a high sense of the liberal offer of the said associators to raise and transport the before-mentioned supplies for the army, and do accept the same as a distinguished proof of their patriotism. *Resolved, further,* That the faith of the United States be, and the same hereby is, pledged to the subscribers to the said bank, for their effectual reimbursement in the premises."

Such is the recent and humble origin of banking in this country. How gigantic has been its progress since that day! It is now the predominating power in our America. Great as it now is, what must it be in a few years more, if it continues growing and expanding at the same rate? What must it be in a few years, if it succeeds now in this contest with the Federal Government, and imposes its paper currency upon the Federal Treasury, and continues to be the keeper of the public moneys? The administration is accused of making war upon the local banks. Was it war to give them forty millions of money to keep? Was it war to receive their notes in payment of revenue? Is it war now to give them time for the payment of balances? Is it war upon them to ask to be separated from them? Is divorce war? Is it war to decline receiving their paper promises instead of the gold and silver of the constitution, and to decline the further deposites of public money with them? Is it war? No, sir, it is peace, and the means of preserving peace. It is concord and amity that this Government wants, and is taking the safest way to secure, by declining to have any more causes of collision with them. It is the local banks, and especially the miscalled Bank of the United States, which are pursuing the Federal Government, refusing to let her alone, offering their notes for currency, and their vaults for depositories, and laboring to force these favors upon us. This is the state of the contest. The local banks are the actors, the pursuers, the assilants; the

Federal Government is on the defence. All she asks is to be exempted from the future causes of collision with them. They have incurred the penalties of separation. They have incurred the penalties. The very act which created them depositories, and made their notes receivable, denounced the loss of both in the event of failing to meet their liabilities in specie. That act is but little more than one year old; it was not a year old when the condition was violated, and which remains yet violated. Separation has resulted from their own conduct; separation now exists; cause for separation still continues; the Government says, let it be perpetual; the banks say no! Receive us again; receive us before we reform, before we repent, before we make amends; and if you do not, it is war upon us. This is the state of the contest between the Government and the banks. It is attack, or, at all events, forcible embrace and conjunction on their part; it is defence and refusal on ours.

The President, in his message, recommends four things: first, to discontinue the reception of local bank paper in payment of federal dues; secondly, to discontinue the same banks as depositories of the public moneys; thirdly, to make the future collection and disbursement of the public moneys in gold and silver; fourthly, to take the keeping of the public moneys into the hands of our own officers.

What is there in this but a return to the words and meaning of the constitution, and a conformity to the practice of the Government in the first years of President Washington's administration? When this Federal Government was first formed, there was no Bank of the United States, and no local banks, except three north of the Potomac. By the act of 1789, the revenues were directed to be collected in gold and silver coin only;" and it was usually drawn out of the hands of collectors by drafts drawn upon them, payable at sight. It was a most effectual way of drawing money out of their hands; far more so than an order to deposite in banks; for the drafts must be paid, or protested, at sight, while the order to deposite may be eluded under various pretexts.

The right, and the obligation of the Government to keep its own moneys in its own hands, results from first principles, and from the great law of self-preservation. Every thing else that belongs to her, she keeps herself; and why not keep that also, without which every thing else is nothing. Arms and ships—provisions, munitions, and supplies of every kind—are kept in the hands of Government efficers; money is the sinew of war, and why leave this sinew exposed to be cut by any careless or faithless hand? Money is the support and existence of the Government, the breath of its nostrils, and why leave this support, this breath, to the custody of those over whom we have no control? How absurd to place our ships, our arms, our military and naval supplies in the hands of those who could refuse to deliver them when requested, and put the Government to a suit at law to recover their possession? Every body sees the absurdity of this; but to place our money in the same condition, and moreover to subject it to the vicissitudes of trade, and the perils of banking, is still more absurd; for it is the life blood, without which the Government cannot live—the oil, without which no part of its machinery can move.

England, with all her banks, trusts none of them with the collection, keeping, and disbursement of her public moneys. The Bank of England is paid a specific sum to manage the public debt; but the revenue is collected and disbursed through subordinate collectors and receivers general; and these receivers general are not subject to the bankrupt laws, because the Government will not suffer its revenue to be operated upon by any law except its own will. In France, subordinate collectors and receivers general collect, keep, and disburse the public moneys. If they deposite any thing in banks, it is at their own risk. It is the same thing in England. A bank deposite by an officer is at the risk of himself and his securities. Too much of the perils and vicissitudes of banking is known in these countries to permit the Government ever to jeopard its revenues in their keeping. All this is shown, fully and at large, in a public document now on our tables. And who does not recognise in these collectors and receivers general of France and England, the ancient Roman officers of quæstors and pro-quæstors? These fiscal officers of France and England are derivations the from Roman institutions; and the same are found in all the modern kingdoms of Europe which were formerly like France and Britain, provinces of the Roman Empire. The measure before the Senate is to enable us to provide for our future safety, by complying with our own constitution, and conforming to the practice of all nations, great or small, ancient or modern.

Coming nearer home, and looking into our own early history, what were the "continental treasurers" of the confederation, and the "provincial treasurers and collectors," provided for as early as July, 1775, but an imitation of the French and English systems, and very near the plan which we propose now to re establish? These continental treasurers, and there were two of them at first, though afterwards reduced to one, were the receivers general; the provincial treasurers and collectors were their subordinates. By these officers the public moneys were collected, kept, and disbursed; for there were no banks then! and all Government drafts were drawn directly upon these officers. This simple plan worked well during the Revolution, and afterwards, until the new Government was formed; and continued to work, with a mere change of names and forms, during the first years of Washington's administration, and until General Hamilton's bank machinery got into play. This bill only proposes to re-establish, in substance, the system of the Revolution, of the Congress of the confederation, and of the first years of Washington's administration.

The bill reported by the chairman of the Committee on Finance [Mr. WRIGHT of New York] presents the details of the plan for accomplishing this great result. That bill has been printed and read. Its simplicity, economy, and efficiency strike the sense of all who hear it, and annihilate without argument, the most formidable arguments of expense and patronage, which had been conceived against it. The present officers, the present mints, and one or two more mints in the South, in the West, and in the North, complete the plan. There will be no necessity to carry masses of hard money from one quarter of the Union to another. Government drafts will make the transfer without moving a dollar. A Government draft upon a national mint, will be the highest order of bills of exchange. Money wanted by the Government in one place, will be exchanged, through merchants, for money in another place. Thus it has been for thousands of years, and will forever be. We read in Cicero's letters that, when he was Governor of Cilicia, in Asia Minor, he directed his *quæstor* to deposite the tribute of the provine in Antioch, and exchange it for money in Rome with merchants engaged in the Oriental trade, of which Antioch was one of the emporiums. This is the natural course of things, and is too obvious to require explanation, or to admit of comment.

The Senator from Virginia, who sists over the way, [Mr. RIVES,] to whose very able speech I listened with great attention, and certainly with instruction on several points, has brought in a bill, antagonistical to the plan of the Government, and going to continue the recivability of local bank paper, and the deposite of the public moneys with the local banks. It is the same bill, with some modifications, which he brought in last winter, and which it was my fortune then to oppose. To speak against the bill of that Senator now, would be to repeat the numerous

speeches which I then made, reinforced by the experience of the last four months; an experience compressing into a few months, the events of an age; an experience surpassing all that I then dreaded; an experience transcending all argument, and throwing the public mind a century ahead. I do not design to repeat what I then said on the Senator's plan, wherein it remains unaltered; but there is a feature in it to which I much objected then, and which I find more objectionable now, from the modification it has undergone. I allude to the conditions on which the notes of the local banks were to be received, and which, in my opinion, amounted to a compact with the banks, and a compact of the most disadvantageous kind to the Government. That feature is continued, and aggravated by taking the form which may enable a few strong banks to monopolize the business of furnishing paper currency to the Federal Government. This is what I then said:

"In the next place, he [Mr. BENTON] objected to the committee's bill, because it proposed to make a bargain with each of the thousand banks now in the United States, and the hundreds more which will soon be born, and to give them a right—a right by law—to have their notes received at the Federal Treasury. He was against such a bargain. He had no idea of making a contract with these thousand banks for the reception of their notes. He had no idea of contracting with them, and giving them a right to plead the contract clause of the constitution against us if, at any time, after having agreed to receive their notes upon condition that they would give up their small circulation, they should choose to say we had impaired the contract by not continuing to receive them; and so, either relapse into the issue of this small trash, or have recourse to judicial process to compel the United States to abide the contract, and to continue the reception of all their notes. Mr. B. had no idea of letting down this Federal Government to such petty and inconvenient bargains with a thousand moneyed corporations. The Government of the United States ought to act as a Government, and not as a contractor. It should prescribe conditions, and not make bargains. It should give the law."

What I objected to then was the contract, and the paper currency; what I object to now is the same contract, the same currency, and the monopoly which may be given of it to a few strong banks—to the miscalled Bank of the United States, for example, and a favorite selection of its affiliated institutions. This privilege of supplying paper money to the Federal Government, is to be limited to those banks which shall resume specie payments within a given day. The design is to encourage a resumption of payments; but what will be the effect? The effect will be, that the strong will resume, and take the prize? The English connexions of the Bank of the United would throw it tens of millions to enable it to clutch the prize, and to crush competitors. The Senator from South Carolina [Mr. CALHOUN] has presented the view of this danger; the Senator from Virginia [Mr. RIVES] has disclaimed all intention of aiding that institution, miscalled Bank of the United States. Certainly he needs no disclaimer, neither on this floor, nor to the country; his inexorable opposition to that institution, or to any similar one, is universally known. Still his personal intentions cannot control the effect of his bill, if it becomes law; and that effect will go to give a monopoly of the right to supply the Federal Government with paper money to the strongest, or a few of the strongest, of the institutions. The miscalled Bank of the United States will be the monopolizer; for, though the most encumbered with debt of all the institutions, yet her English backers and stockholders, for such a prize as would be presented, would throw in the millions necessary to carry it. The Senator from Virginia [Mr. RIVES] cannot see this effect of his bill; but let him look over his right shoulder, and he will see those who do. He will there see the phalanx which supports the Pennsylvania Bank of the United States, all anxiously watching the progress of his bill, and ready to give their votes for it, as the certain means of aiding their great and cardinal object.*

Objections are taken to the capacity of the country to furnish the quantity of gold and silver necessary to pay the revenues of the Government in coin. It is supposed there is not hard money enough for that purpose? This objection induces two inquiries. First, how much specie will be required for that purpose? Secondly, what is the present amount in the country, and what the prospect of increase? In reply to the first of these inquiries, it is to be remembered that the President, in his message, supposes ten millions will be enough; and the Secretary of the Treasury, in his report upon the finances, supposes that eight or ten millions will do. Having paid some attention to this point, I have come to the conclusion that the one-fourth part of the amount of the annual revenue will be sufficient to pay the whole; and this opinion is formed upon an observation of the fact, that in a regular state of the finances, when no more revenue is raised than the Government needs, about one-fourth of the whole is always on hand, of course that not more than one-fourth is taken out of circulation. Upon this data, a revenue of twenty millions would require but five millions to pay it; and a revenue of twenty-five millions would require but six and a quarter millions to meet it. A reduction of revenue to the wants of the Treasury is the policy of the administration; no more surpluses is the language of the republican party. About twenty-five millions may, therefore, be the maximum; and the payment of this sum, it is shown, will not employ above six or seven millions. Now, what is the capacity of the country to furnish this amount? How much specie have we, and what is the prospect for more? It is well remembered that eighty millions was the computed supply at the end of the last fiscal year; to that amount we have to add the increase of the present fiscal year, being about five millions; namely, an excess of imports over exports of above four millions, and the coinage of near a million of gold. The future prospect is most encouraging. The export of specie is over; it is a drug in London; it can be borrowed there at 2¾ per cent. per annum, and three per cent. is a common interest. What has been forced out is ready to flow back. A large import must be expected; and if this bill passes to increase the demand for it at home, and if the suspending banks are made to resume payment, not less than fifteen or twenty millions of dollars may be expected within the ensuing year. This, then, is our condition; upwards of eighty millions now in the country, and the means in our power to increase it largely. Now, cannot a revenue of twenty-five millions, which will never require a greater amount than six or seven millions to be taken out of circulation at any one time; cannot such a revenue be met from these resources? I say it can; and I say this upon data, and will exhibit that data to the Senate, that they may judge of the correctness of my opinion. First, I take the evidence furnished by the history of our own country. The first revenue act of 1789 prescribed "gold and silver coin only" for the payment of the Federal revenue; the revenue was then about four and a half millions of dollars; and the whole amount of specie in the Union was estimated at ten millions of dollars. Here then was a revenue, nearly half the amount of the specie in the country, ordered to be

* Mr. RIVES replied to this allusion, the next day, as if Mr. BENTON had said that, by looking over his right shoulder, he would see his guides and leaders. Mr. B. disclaimed both the expression and the thought. Mr. R. answered that he had not heard distinctly what was said, but was informed that such were the expressions. Mr. B. denied them, and said that he only spoke of the effect of the bill, and referred to the support which the friends of the Bank of the United States were giving it, as evidence that they understood its effects as he did.—*Note by Mr. B.*

collected in specie. I speak of the law which ordered it to be so collected, and to which there was no objection, on account of the inadequacy of specie, either in Congress or out of Congress. The revenue was paid without complaint, and without difficulty, and, in all probability, did not abstract, at one time, a million of dollars from circulation. But General Hamilton, the Secretary of the Treasury, permitted notes of banks to be received. Certainly he did, and, just as certainly, for no reason founded on the inadequacy of the specie circulation to meet the demands of the Government. His reasons, as seen in his report to Congress, were altogether of a different class; they were to enable the banks to increase their paper circulation; to increase paper money; and to diffuse it generally over the Union. There were then but three banks in the United States, and those three to the north of the Potomac; they issued no small notes; their aggregate circulation was inconsiderable; and it was the plan of General Hamilton to increase their number, and diffuse their paper. This was his reason for admitting bank paper to be received; and to do so, he had to nullify, by construction, the clear enactment of positive law.

The next piece of evidence I furnish is drawn from the history of England, in the reign of William III, immediately preceding the establishment of the Bank of England, and the introduction of the paper system, and the funding system, into that kingdom. The taxes were then four millions, and the specie of the kingdom sixteen millions. These taxes were paid without difficulty; for they probably did not abstract one million sterling from circulation. The last data I shall produce is from the history of France, during the first administration of Neckar, which about covered the period of our Revolution. I speak of the first administration of Neckar, and when the finances of France were in a regular state, and not of his subsequent administration, when the extravagances of the day and the subservience of the ministers Calonne and Brienne had involved those finances in a ruin from which the talents of Neckar could not extricate them. What was the revenue and the specie circulation of France at that time? I say specie circulation; for the Mississippi scheme of John Law had cured the nation of paper money, until the assignats of the Revolution came upon the stage, and lived their brief day. What was the revenue, and the specie circulation out of which it was paid, in the prosperous period of the French finances to which I have alluded? Twenty-two millions sterling of revenue; about 110,000,000 of dollars; and ninety millions sterling of circulation; about 450,000-000 of dollars. This vast revenue, equal to one-fourth of the whole circulation, was regularly paid; and this establishes the only point for which I refer to it. Now to apply this historical experience to our own country, and to the present times. Our revenue may be about 25,000,000; one-fourth of that sum will pay it; we have upwards of eighty millions of specie in the country, annually increasing, and certain to increase to the utmost extent of our wants, if we create a demand for it. One hundred millions of exportable productions will bring back just as much specie as the country wants. The objection, then, to the inadequacy of the specie in the country falls to the ground. We have more than enough for that purpose. We have but two branches of revenue—the lands and the customs, and both voluntary sources of income; for no person is under compulsion to purchase the public lands, and no one is under compulsion to import foreign goods. These are the sources of our revenues. Their payment is voluntary; and even during this summer, since the suspension of specie paymants, the income from one of these sources (the lands) has been equal to the best years before the two great years of speculation. I will answer for this branch of revenue. Bring the new lands into market, and reduce the price of the old lands, and the Government will get ten or twelve millions of gold and silver from them in the next year.

I am free to admit that the whole of this eighty millions is not now in the hands of the people; that much of it is locked up in the vaults of the banks. But this is temporary; it cannot last much longer; public opinion is omnipotent, and must prevail; that opinion is against the conduct of the banks; and in the progress of it they must see their own doom. Their vaults are shut, but their eyes must be opening; and with these eyes they must begin to see what the public is beginning to think of a banking system which, in a season of peace, tranquillity, and general prosperity, and with a hundred millions of exports, and four times as much specie as ever was in the country before, are either unable, or unwilling, to meet any part of their obligations in specie—even to pay out picayunes—and have driven the people to the use of irredemable paper and shinplasters, and the Federal Government itself to an issue of Treasury notes.

We are taunted with these Treasury notes; it seems to be matter of triumph that the Government is reduced to the necessity of issuing them; but with what justice? And how soon can any Government that wishes it, emerge from the wretchedness of depreciated paper, and stand erect on the solid foundations of gold and silver? How long will it take any respectable Government, that so wills it, to accomplish this great change? Our own history, at the close of the Revolution, answers the question; and more recently, and more strikingly, the history of France answers it also. I speak of the French finances from 1800 to 1807; from the commencement of the Consulate to the peace of Tilsit. This wonderful period is replete with instruction on the subject of finance and currency. The whole period is full of instruction; but I can only seize two views—the beginning and the end—and, for the sake of precision, will read what I propose to present. I read from Bignon, author of the civil and diplomatic history of France during the Consulate and the first years of the empire; written at the testamentary request of the Emporor himself.

After stating that the expenditures of the republic were six hundred millions of francs—about one hundred and ten millions of dollars—when Bonaparte became First Consul, the historian proceeds:

"At his arrival at power, a sum of 160,000 francs in money [about $32,000] was all that the public chests contained. * * * * * * In the impossibility of meeting the current service by the ordinary receipts, the Directorial Government had resorted to ruinous expedients, and had thrown into circulation bills of various values, and which sunk upon the spot fifty to eighty per cent. A part of the arrearages had been discharged in bills two-thirds on credit, payable to the bearer, but which, in fact, the Treasury was not able to pay when due. The remaining third had been inscribed in the great book, under the name of consolidated third. For the payment of the forced requisitions to which they had been obliged to have recourse, there had been issued bills receivable in payment of the revenues. Finally, the Government, in order to satisfy the most imperious wants, gave orders upon the receivers general, delivered in advance to contractors, which they negotiated before they began to furnish the supplies for which they were the payment."

This, resumed Mr. B., was the condition of the French finances when Bonaparte became First Consul at the close of the year 1799. The currency was in the same condition—no specie—a degraded currency of assignats, ruinously depreciated, and issued as low as ten sous. That great man immediately began to restore order to the finances, and solidity to the currency. Happily a peace of three years enabled him to complete the great work, before he was called to celebrate the immortal campaigns ending

at Austerlitz, Jena, and Friedland. At the end of three years—before the rupture of the peace of Amiens—the finances and the currency were restored to order and to solidity; and, at the end of six years, when the vast establishments, and the internal ameliorations of the imperial Government, had carried the annual expenses to eight hundred millions of francs, about one hundred and sixty millions of dollars; the same historian copying the words of the Minister of Finance, thus speaks of the Treasury, and the currency:

"The resources of the State have increased beyond its wants; the public chests are full; all payments are made at the day named; the orders upon the public Treasury have become the most approved bills of exchange. * * The finances are in the most happy condition; France alone, among all the States of Europe, having no paper money."

What a picture! how simply, how powerfully drawn! and what a change in six years! Public chests full; payments made to the day; orders on the Treasury the best bills of exchange; France alone, of all Europe, having no paper money; meaning no Government paper money, for there were bank notes of five hundred francs and one thousand francs. A Government revenue of one hundred and sixty millions of dollars was paid in gold and silver; a hard-money currency, of five hundred and fifty millions of dollars, saturated all parts of France with specie, and made gold and silver the every-day currency of every man, woman, and child in the empire. These great results were the work of six years, and were accomplished by the simple process of gradually requiring hard money payments; gradually calling in the assignats; increasing the branch mints to fourteen, and limiting the Bank of France to an issue of large notes—five hundred francs and upwards. This simple process produced these results, and thus stands the French currency at this day; for the nation has had the wisdom to leave untouched the financial system of Bonaparte.

I have repeatedly given it as my opinion—many of my speeches declare it—that the French currency is the best in the world. It has hard money for the Government; hard money for the common dealings of the people; and large notes for large transactions. This currency has enabled France to stand two invasions—the ravaging of 300,000 men—two changes of dynasty, and the payment of a milliard of contributions; and all without any commotion or revulsion in trade. It has saved her from the revulsions which have afflicted England and our America for so many years. It has saved her from expansions, contractions, and ruinous fluctuations of price. it has saved her, for near forty years, from a debate on currency. It has saved her even from the knowledge of our sweet-scented phrases, "sound currency, unsound currency; plethoric, dropsical, inflated, bloated; the money market tight to-day, a little easier this moning;" and all such verbiage, which the haberdasher's boys repeat. It has saved France from even a discussion on currency; while in England, and with us, it is banks! banks! banks! morning, noon, and night; breakfast, dinner, and supper; levant and couchant; sitting, or standing; at home or abroad; steamboat, or railroad car; in Congress, or out of Congress, it is all the same thing; banks! banks! banks! currency! currency! currency! meaning, all the while, paper money and shinplasters; until our very brains seem as if they would be converted into lampblack and rags.

The Senator from New York, [Mr. TALLMADGE,] in his very able speech, has referred to the overthrow of Bonaparte, effected by the paper system of England. Without going into the question of the causes of that overthrow—without looking to the ice of Russia and the non-arrival of Grouchy on the field of Waterloo, and without considering the numerous incidents, often trivial in themselves, on which the fate of battles and of empires depend—it will be sufficient to consider what would have been the fate of this paper system of England, if, like the system of France, it had been exposed to the shocks of invasions, conquest, and changes of dynasty; and, leaving out this supposed view, it will be sufficient to look at it under its real aspect, and to see its present effects on the condition of the British empire. What are those effects? They are, in brief, an increase of taxes from 1694, when the Bank of England was chartered, from four millions sterling (twenty millions of dollars) to forty-five millions sterling, (two hundred and twenty-five millions of dollars;) an increase of the public debt from twenty-one millions five hundred and fifteen thousand seven hundred and forty-two pounds, thirteen shillings, eight pence, and two farthings, (to be precise,) in round numbers about one hundred millions of dollars, to near nine hundred millions sterling, or four thousand five hundred millions of dollars; and the increase of pauperism, until three millions of people grace the list. These are some, for I omit, as too well known, the average septennial convulsions of that system; these are some of the evils of the paper system in England. But take another view: take some points of comparison between the national expenditures of France and England, when contending together, and see how the account, in point of economy between paper money and hard money will stand. Let us take the year 1806, when England was subsidizing Russia and other Powers against France, and when the great Emperor frustrated the effect of all these subsidies, and consolidated his power by the victory of Friedland, and the peace of Tilsit. What were the expenses of the two contending empires for that year? They were these: For England one thousand seven hundred and seventy-two millions of francs, (about three hundred and sixty millions of dollars;) for France, seven hundred and seventy-eight millions of francs, (about one hundred and sixty millions of dollars;) in other words, the expenses of England exceeded those of France by about one thousand millions of francs, or two hundred millions of dollars. Such was the difference between the economy of paper money and hard money; and the same proportion holds good in every station in life, from the Emperor and his empire, to the washerwoman and her household.

The amendment now depending, on the motion of the Senator from South Carolina, [Mr. CALHOUN,] is the same in substance with the bill which I brought in upwards of a year ago, to re-establish the currency of the constitution for the Federal Government. That bill was in these words:

"That bank notes and paper currency of every description shall cease to be received, or offered in payment, on account of the United States, or of the Post Office, or in fees in the courts of the United States, as follows: of less denomination than twenty dollars, none shall be so offered after the 3d day of March, 1837; of less denomination than fifty dollars, none after the 3d day of March, 1838; of less denomination than one hundred dollars, none after the 3d day of March, 1839; of less denomination than five hundred dollars, none after the 3d day of March, 1840; of less denomination than one thousand dollars, none after the 3d day of March, 1841; and none of any denomination from and after the 3d day of March, 1842.

"Sec. 2. *And be it further enacted*, That any person holding an appointment under the laws of the United States, and any bank employed to keep public moneys, which person or bank shall neglect, evade, violate, contravene, or in any way elude, or attempt to elude, the provisions of this act, shall be guilty of an offence against the laws; and the person so offending shall be liable to be dismissed from the service, and the bank so offending shall, on satisfactory information, be discontinued as a depository of public moneys."

The only direct action of this bill would have been on the receipts of the Federal Treasury. It has been extensively represented as a bill to impose hard money upon the

States, but such is not its character, but the reverse; it was to prevent the local paper of the States from being imposed on the Federal Government. Its indirect and consequential action have been to increase the specie circulation of the whole Union, by creating a demand for it. The present amendment will operate the same way; it will increase the quantity of hard money every where. Yet two objections, neither of them well founded, and each inconsistent with the other, have been taken to it; one is, that it proposes to take the better currency for the Government, and leave the baser to the people; the other is, that it is going to impose this better currency upon the people also; and so destroy all paper money at once, reduce every thing to the specie standard, and ruin all debtors. Each of these objections are equally unfounded. Taken singly, they are each erroneous; taken together, as we often find them in the same speech, and they belong to that class of arguments which the logicians call the *argumentum ad ignorantiam*: that is to say, an argument addressed to the supposed ignorance of the hearers. This class of arguments has been freely used by gentlemen of the opposition for a long time; with what effect the issue of the elections has often told. It is time to quit it, and to address the intelligence of the community. Take the better currency to itself. Why, the Government does not eat the money, but pays it back again the next day to the people. Impose hard money upon the States! The mere reading of the amendment, or my bill, which is the same in substance, disproves the assertion. No, the effect of the measure will be to increase the gold and silver circulation for the whole country. Thus it has been already. Five years ago we began our system of measures to revive the gold currency, and to increase the specie circulation. There was then twenty millions of silver in the country, and no gold; there is now upwards of eighty millions, of which fifteen is in gold. True, the banks have suppressed all this circulation for the present; they have shut down the hatches upon the whole of it; but this suppression cannot continue much longer. The law of the land, or of public opinion, will soon prevail, and these institutions will have to submit.

The bill before the Senate dispenses with the further use of banks as depositories of the public moneys. In that it has my hearty concurrence. Four times heretofore, and on four different occasions, I have made propositions to accomplish a part of the same purpose. First, in proposing an amendment to the deposite bill of 1836, by which the mint, and the branch mints, were to be included in the list of depositories; secondly, in proposing that the public moneys here, at the seat of Government, should be kept and paid out by the Treasurer; thirdly, by proposing that a preference, in receiving the deposites, should be given to such banks as should cease to be banks of circulation; fourthly, in opposing the establishment of a bank agency in Missouri, and proposing that the moneys there should be drawn direct from the hands of the receivers. Three of these propositions are now included in the bill before the Senate; and the whole object at which they partially aimed is fully embraced. I am for the measure, fully, cordially, earnestly for it.

Some Senators suppose that it will be a great injury to the local banks to refuse their notes in revenue payments; I think otherwise, and that it will be a great injury to receive them; for they will be taken out of circulation, and returned in masses on the banks for redemption. They cannot be paid out by the Government, and, therefore, will have to be presented for redemption to the banks. The act of 1836 cuts them off from all payments from the Federal Government, or the post offices. That act contains three limitations upon the payment of these notes: first, no note under twenty dollars is to be paid out: and that cuts off the greater number: secondly, no note is to be paid out which is issued at one place, and made payable at another; thirdly, no note of any kind is to be paid out, unless it is equal to gold and silver at the place where offered, and convertible into specie upon the spot, at the will of the holder, and without loss or delay to him. This is the strongest limitation, and cuts off all payment in notes unless where the bank itself is situated. The three limitations taken together, and they are all in full force, cut off bank paper from nearly every payment to be made, either by the United States or by the Post Office Department.

I do not pretend to exhaust this subject; I only touch the leading objections to the further use of bank notes by the Government, and the future use of banks as depositories of public moneys. It is a practice fraught with mischief to both parties, and has been so proved by repeated experience. To receive the notes of banks for revenue, if they are to be paid in good faith, is merely to take them out of circulation, and return them in masses for redemption, to the great peril and alarm of the bank. If they are not to be paid, their receipt is a fraud upon the Government. So said Mr. Crawford, when he was Secretary of the Treasury, and when members of Congress, marching in column upon him, backed by legislative petitions, were demanding this privilege for so many local banks. Importunity and legislative interference most usually prevailed; and in almost every instance to the injury of the bank, and to the loss of the Government. So will it be again, if the practice is resumed.

Again: It is tempting the banks into ruinous expansions thus to give them the credit and the domain of the United States to bank upon. They put out flood of notes, because receivability at the custom-house, the land-office, and the post office, gives them credit and circulation. After some months, pay-day comes. Federal credit, which got the notes into circulation, will not pay them; the bank stops; depreciation ensues; the loss falls upon the Government, and upon the uninformed holders of the notes.

Again: It is a false credit given by the Government to the whole issues of any bank whose paper is so received. It is endorsement without responsibility. People take it, because the Government takes it; and when the bank fails, the Government does not indemnify those who have been deceived by an endorsement, valid for deception, and invalid for responsibility.

Again: This Government receivability enables notes to stray from their known orbit of circulation; to go off into distant parts, where they are unknown; to live there awhile in the sunshine of Federal favor; to circulate awhile on land-office and custom-house credit; and, finally, to sink as insolvents upon the hands of strangers.

Again: There must be selection of banks, or universality of reception. If selection, then favoritism, patronage, caprice—refusal to-day, reception to-morrow—imposition on some, undue advantage to others—come into play. If receivability is universal, then a thousand banks now in existence, and thousands more to be created, all become furnishers of Federal currency; and in a few years the public lands are changed into paper—the custom-house revenue becomes a bale of paper—and this paper worth as little as it would be if it was decomposed and restored to its original state of lampblack and rags.

Again: To take the promissory notes of the banks for lands, customs, and postages, is to extend a credit to the banks which is denied to the community. The farmer is required to pay ready money for the public lands; but if the note of the bank is received, this is a credit to the bank—a credit to a barren moneyed corporation, which is denied to a productive, meritorious citizen. The same of postages; and the same is, in some degree, the case at the custom-houses now, and will be fully, when ready money payments are required there, as another bill before the Senate now proposes.

Again: To make the banks depositories of our moneys, involves the use, or the prohibition of the use, of these moneys. If the former, then the revenues are as much jeoparded as ever; if the latter, then the bank has no benefit from the deposite.

Again: To continue these banks as depositories, is to create an interest—a powerful, active, concentrated interest, in Congress and out of Congress—in favor of high taxes, and low appropriations. The late Bank of the United States was such an interest during the whole time of its existence. It was the ally of high tariffs, and the enemy of appropriation bills. Its principle of action was, take from the people, and leave with us! and so it will be with a league of local depository banks. Their presidents and directors; their stockholders and attorneys, with all their friends and debtors, will be a unit, to keep up taxes and to keep down appropriations. The Government should not create, for itself and for the people, so formidable an antagonist.

The friends of the banks treat it as their ruin, as a grievous outrage and indignity, for the Government of the United States to refuse to take their notes, and to refuse to use them as depositories; yet this was their condition during the whole time of the existence of the Bank of the United States, and yet they made no objection to it then. This is strange! but what is more so is, that while thus struggling against the Government, they are, many of them, in favor of re-establishing a national bank; the first act of which will be to strip them of Government deposites, and exclude their paper from Government receivability!

Congress has a sacred duty to perform in reforming the finances, and the currency; for the ruin of both has resulted from Federal legislation, and Federal administration. The States at the formation of the constitution, delivered a solid currency—I will not say sound, for that word implies subject to unsoundness, to rottenness, and to death—but they delivered a solid currency, one not liable to disease, to this Federal Government. They started the new Government fair upon gold and silver. The first act of Congress attested this great fact; for it made the revenues payable in gold and silver coin only. Thus the States delivered a solid currency to this Government, and they reserved the same currency for themselves; and they provided constitutional sanctions to guard both. The thing to be saved, and the power to save it, was given to this Government by the States; and in the hands of this Government it became deteriorated. The first great error was General Hamilton's construction of the act of 1789, by which he nullified that act, and overturned the statute and the constitution together. The next great error was the establishment of a national bank of circulation, with authority to pay all the public dues in its own paper. This confirmed the overthrow of the constitution, and of the statute of 1789; and it set the fatal example to the States to make banks, and to receive their paper for public dues, as the United States had done. This was the origin of the evil—this the origin of the overthrow of the solid currency which the States had delivered to the Federal Government. It was the Hamiltonian policy that did the mischief; and the state of things in 1837, is the natural fruit of that policy. It is time for us to quit it—to return to the constitution and the statute of 1789, and to confine the Federal Treasury to the hard money which was intended for it.

I repeat, this is a measure of reform, worthy to be called a reformation. It goes back to a fundamental abuse, nearly coeval with the foundation of the Government. Two epochs have occurred for the reformation of this abuse; one was lost, the other is now in jeopardy. Mr. Madison's administration committed a great error at the expiration of the charter of the first Bank of the United States, in not reviving the currency of the constitution for the Federal Treasury, and especially the gold currency. That error threw the Treasury back upon the local bank paper. This paper quickly failed, and out of that failure grew the second United States Bank. Those who put down the second United States Bank, warned by the calamity, determined to avoid the error of Mr. Madison's administration: they determined to increase the stock of specie, and to revive the gold circulation, which had been dead for thirty years. The accumulation of eighty millions in the brief space of five years, fifteen millions of it in gold, attest the sincerity of their design, and the facility of its execution. The country was going on at the rate of an average increase of twelve millions of specie per annum, when the general stoppages of the banks in May last, the exportation of specie, and the imposition of irredeemable paper upon the Government and the people, seemed to announce the total failure of the plan. But it was a seeming only. The impetus given to the specie policy still prevails, and five millions are added to the stock during the present fiscal year. So far, then, as the counteraction of the Government policy, and the suppression of the constitutional currency, might have been expected to result from that stoppage, the calculation seems to be in a fair way to be disappointed. The sprit of the people, and our hundred millions of exportable produce, are giving the victory to the glorious policy of our late illustrious President. The other great consequences expected to result from that stoppage, namely, the recharter of the Bank of the United States, the change of administration, the overthrow of the republican party, and the restoration of the federal dynasty, all seem to be in the same fair way to total miscarriage; but the objects are two dazzling to be abandoned by the party interested, and the destruction of the finances and the currency, is still the cherished road to success. The miscalled Bank of the United States, the soul of the federal dynasty, and the anchor of its hopes—believed by many to have been at the bottom of the stoppages in May, and known by all to be at the head of non-resumption—now displays her policy on this floor; it is to compel the repetition of the error of Mr. Madison's administration! Knowing that from the repetition of this error must come the repetition of the catastrophes of 1814, 1819, and 1837; and out of these catastrophes to extract a new clamor for the revification of herself. This is her line of conduct; and to this line, the conduct of all her friends conforms. With one heart, one mind, one voice, they labor to cut off gold and silver from the Federal Government, and to impose paper upon it! they labor to deprive it of the keeping of its own revenues, and to place them again where they have been so often lost! This is the conduct of that bank and its friends. Let us imitate their zeal, their unanimity, and their persverance. The amendment and the bill, now before the Senate, embodies our policy. Let us carry them, and the republic is safe.

When Mr. BENTON had concluded,

On motion of Mr. KING, of Georgia,

The Senate adjourned.

SATURDAY, SEPT. 23.

SUB-TREASURY BILL.

The Senate resumed the consideration of the bill providing for the collection and custody of the public revenue. The question being on the amendment offered by Mr. CALHOUN, to separate the Government from the banks.

Mr. KING, of Georgia, rose and said that he had not intended to address the Senate on the subject before it until yesterday evening. He had great difficulty in making up his mind between the projects urged by different gentlemen, and as he was not satisfied with either of them, he had thought it best to postpone the subject till the regular session, and offer some remarks in explanation of his reasons for doing so.

Two plans were, he said, urged upon the Senate: one reported by the Committee on Finance, as proposed to be amended by the Senator from South Carolina; the other the State bank system, which had already been tried, and failed.

As to the last, various apologies had been made here and elsewhere, for its failure; and it had been insisted that it had not had a fair trial, and therefore could not be said properly to have failed. The most able and ingenious advocates and apologists of this system that he had heard were his friends from Virginia and New York. If they had not succeeded in convincing the Senate that the system should be re-adopted, (with the modifications proposed,) conviction might be considered hopeless. He certainly agreed with them, that the system had not had a fair trial. The pets had certainly had a hard time of it under their Executive patron; but he had never had confidence in them from the beginning, and, in truth, the system had never succeeded for one moment. The history of the world furnished no instance in which an administrative measure, so vitally interesting to the whole community, had been so long sustained by a system of mere assumption, deception, and puffing. Business men were rarely deceived by these means; but a large portion of the people were less informed, and believed the statements which were from time to time imposed upon them. Why, (said Mr. K.,) I lately saw in one of the numerous apologetic essays on this subject, even when the exchanges had got into such confusion as to render it impossible to deceive any body, that the system had been one of the most beautiful in its operation ever devised by the wisdom of man. The author regretted very much that he was not entitled to any share of the honor of having first conceived it; which honor was all due to the great financial wisdom of the ex-President. The fruits of this mighty conception had, however, been blasted by the stupidity of Congress, who had passed, contrary to the known will of the Executive, the obnoxious measure for the distributive deposite with the States in June. 1836. A beautiful system, truly, for the administration of the public finances, that should wither at a hint that we should want a portion of the public treasure in quarterly instalments, the first becoming due more than six months ahead. But (said Mr. K.) unfortunately, this bill was passed rather too late to afford even a pretext to the advocates of the late President's experiment. I state to the Senate as a fact coming within my own knowledge, that, before the distribution bill was passed or talked of, the president of a Southern institution passed through this city with a large amount of specie in his possession, on his way to New York, there to purchase Southern and South-western exchanges. The same operation had been made by others. Was such an operation ever made or dreamed of during the existence of the Bank of the United States before the withdrawal of its branches? A beautiful system of exchanges this which would lead men a thousand miles from home to shave the commercial paper of their neighbors!

Here are the evidences of the fulfilment of the promises, that the experiment would give us a better currency, safer depositories, and a "cheaper" system of exchanges. The local banks, whilst the deposites in their vaults were large, the currency expanding, and speculation furnishing demands for money every where and credits every where, afforded exchanges tolerably well between the most commercial points; but the moment these causes ceased to operate, and the branches of the United States Bank were withdrawn, the exchanges fell into the utmost confusion, and every pretension after this that they were furnishing exchanges as cheaply "as the United States Bank ever did," has been mere assumption, and not calculated to deceive any business man in the community. Sir, (said he,) I have gone to the very counters of these banks and asked for exchange at the published rates. The answer generally was, that, "if they were drawing," they would sell at the published prices, but they rarely had any to sell.

Now, sir, what kind of a profit do you suppose could have induced the strange operation I have described? I have been informed it frequently amounts to 15 and 17 per cent.; sometimes less, but always enormous. The operation, if I understand it, was this: A bill was purchased in New York on the debtor of the drawer in the South or West, or Southwest, at a discount of from 4 to 6 per cent. and perhaps sometimes higher. If the bill were paid the purchaser (being established between the drawer and drawee) again sold a bill drawn on the fund, and charged a premium; for these great regulators were in the habit of shaving in every direction. They would buy Southern funds at a heavy discount, and sell a bill on it at a heavy premium. This was the operation if the bill were paid, but if the bill were dishonored, as frequently happened before, and nearly always after the adoption of the specie circular, the bill went back upon the New York drawer with an accumulation of charges, and 5 per cent. damages for the dishonor. The drawer had it to pay, though he had suffered a heavy loss on the discount. This payment of bill and damages furnished the drawer with a Northern fund, on which he could again draw at a premium of 5 per cent. Thus the Senate will see the enormous profit that was often made by the discount of a single bill.

It was from exchanges, added to other profits, Mr. K. said, that accounted for the enormous profits and heavy dividends that had been made by some of the banks, some of which he mentioned to have been prodigious within fourteen months preceding the first of March, 1837. Where did these enormous profits come from, and who ultimately paid them? Why, they were shaved from the hard earnings of the industrious classes, being clearly a tax on the circulation of the products of labor.

Mr. K. said he would not detain the Senate by going fully into the capabilities of the State bank system to perform the services promised by it. He stood upon firm ground on this subject. His friends could not charge him with change or inconsistency in this matter; and, as was well known, he had generally predicted, step by step, the consequences that would follow from the financial experiments that had afflicted the country, beginning with that unfortunate and unnecessary measure, the removal of the deposites in 1834. It would be seen that he had no strong predilection for the State bank deposite system, though he admitted that it might have done, and still could do much better than heretofore, if the Executive would consent to let it alone, and cease the continual interferences by which the banks have been tormented, and the commerce of the country deranged, ever since the Executive had taken the control of the finances.

Mr. K. then proceeded to notice the plan of the committee as proposed to be amended. This he looked upon as a new experiment, though it had been alleged to be otherwise by the Senator from Missouri. The Senator insisted that we were ahead of our destiny, and ought to go back to the glorious days of the Roman empire to learn lessons on finance and political economy. This plan was strongly recommended as having been that under which the Roman quæstors made their mild exactions from the people. It was also recommended most warmly by the Senator, because it was that under which the war levies of Napoleon were made, and the finances of Spain and Turkey collected and disbursed. Upon the first recommendation, the Senator had given us a most eloquent discourse upon Roman heroism; bloody battles, and the levies of the quæstors. He had spoken of the great pleasure with which he read Roman history on these subjects, and the delight with which he contemplated the renown of this great people. Well, Mr. K. said he had read some Roman history too,

though certainly not as good an historian as his friend from Missouri. But if any thing in Roman history had made a strong impression upon his republican mind, it was the heartless cruelty, the unfeeling rigor, and pitiless tyranny with which exactions were made upon the people by the Roman quæstors; and, unfortunately for the Senator's Roman precedent, when these exactions had been made by plundering the Roman people and provinces to support heroism in the trade of conquering and plundering the rest of mankind, these exactions were deposited with Roman bankers appointed for the purpose.

As the Roman precedent was not found exactly satisfactory to Mr. K., he proceeded to notice the system so warmly recommended as the plan of that great democrat and ardent lover of liberty and free institutions, the Emperor Napoleon. His friend from Missouri had stated that when the Emperor mounted the throne of power, he found the State coffers empty, or nearly so; but in a short time they were filled to overflowing. Thereupon the Senator produced a book, or a document, to prove the important fact. The fact was not doubted; but how were these wonders of finance accomplished? Let his impoverished country and the blood and tears of unhappy Germany answer the question. However, perhaps the financiering of this great economist was strongly recommended from the fact that the largest and most timely accession to his finances was made by the robbery of a bank; and that too a bank belonging to one of the freest and most commercial cities of Europe.*

Mr. K. said he saw nothing in these imperial precedents, ancient or modern, very applicable or very captivating; and as he saw nothing in the happy and prosperous condition of the people of those free and commercial nations (Turkey and Spain) to excite his envy, he would rather consider this as a new and untried experiment, and digest it a little better before it was adopted. Mr. K. added, that the system was already in operation, as the changes proposed did not alter essentially the specie system adopted by the Executive since the suspension of specie payments. The postponement would give us a little more time to observe the workings of the system, and ascertain the wishes of the people. He was glad to see the finances restored to Congress, their lawful guardian, on almost any terms; but really they were in such a worthless and ragged condition, from Executive manipulation, that it was difficult to say what disposition had better be made of them.

Mr. K. said he doubted whether he ought to detain the Senate to say any thing upon the causes of the present distress, which had called Congress together. As this subject had been dwelt upon, however, by every speaker who had preceded him, and was certainly of great importance to the country, it was perhaps the duty of every member to give his views upon the subject. The subject, said he, is too important to be trifled with. It comes to the doors and dwellings, and reaches the bread and business of every citizen, of every condition; and I shall give my views, however unwillingly, uninfluenced by all personal friendships and party associations. Unless we ascertain the causes which have so strangely brought the country into its present distressed condition, in a time of profound peace, we shall neither know how to apply present remedies nor avoid similar evils in future.

Mr. K. then said he had not the slightest doubt that our difficulties were owing entirely to the unfortunate policy and violent measures of the Executive in relation to the finances for several years past. This was the only cause, and this was abundantly sufficient. Mr. K. said he could prove this to any one who would not shut his eyes to facts, and close his understanding against correct information on the subject. He had felt and expressed his astonishment when he first read the President's message, at the statements of the President in relation to these causes; and he had been equally astonished at hearing his friends from Connecticut and North Carolina adopt these statements, and take them as admitted truths. The President was entirely mistaken in these statements, and to allow them to remain uncorrected would only continue to obscure and mystify the subject.

For the better understanding of the subject he would read the passages alluded to. Mr. K. then read the passages which follow:

"However unwilling any of our citizens may hertofore have been to assign to these causes the chief instrumentality in producing the present state of things, the developments subsequently made, and the actual condition of other commercial countries, must, as it seems to me, dispel all remaining doubts upon the subject. It has since appeared that evils, similar to those suffered by ourselves, have been experienced in Great Britain, on the Continent, and, indeed, throughout the commercial world; and that in other countries, as well as in our own, they have been uniformly preceded by an undue enlargement of the boundaries of trade, prompted, as with us, by unprecedented expansions of the systems of credit. A reference to the amount of banking capital, and the issues of paper credits put in circulation in Great Britain, by banks, and in other ways, during the years 1834, 1835, and 1836, will show an augmentation of the paper currency there, as much disproportioned to the real wants of trade as in the United States. With this redundancy of the paper currency, there arose in that country also a spirit of adventurous speculation, embracing the whole range of human enterprise. Aid was profusely given to projected improvements; large investments were made in foreign stocks and loans; credits for goods were granted, with unbounded liberality, to merchants in foreign countries; and all the means of acquiring and employing credit were put in active operation, and extended, in their effects, to every department of business, and to every quarter of the globe. The reaction was proportioned in its violence to the extraordinary character of the events which preceded it. The commercial community of Great Britain were subjected to the greatest difficulties, and their debtors in this country were not only suddenly deprived of accustomed and expected credits, but called upon for payments which, in the actual posture of things here, could only be made through a general pressure, and at the most ruinous sacrifices.

"In view of these facts, it would seem impossible for sincere inquirers after truth to resist the conviction, that the causes of the revulsion in both countries have been substantially the same. Two nations, the most commercial in the world, enjoying but recently the highest degree of apparent prosperity, and maintaining with each other the closest relations, are suddenly, in a time of profound peace, and without any great national disaster, arrested in their career, and plunged into a state of embarrassment and distress. In both countries we have witnessed the same redundancy of paper money, and other facilities of credit; the same spirit of speculation; the same partial successes; the same difficulties and reverses; and, at length, nearly the same overwhelming catastrophe. The most material difference between the results in the two countries has only been that, with us, there has also occurred an extensive derangement in the fiscal affairs of the Federal and State Governments, occasioned by the suspension of specie payments by the banks."

Now, that over-banking, over-issuing, &c., as mentioned by the President, have been operating causes, is only a common belief. But where did they originate, and who produced them? That is the first question. And here Mr. K. stated that the President was mistaken *in every fact assumed by him to exculpate our own Government from the charge of being the original cause of the*

* Hamburgh.

mischief. Other countries have been suffering no "evils similar to those suffered by ourselves," *except those which they have suffered by their connexions with and losses by us.* And "a reference to the amount of banking capital, and the issues of paper credits, put in circulation in Great Britain, &c., during the years 1834, 1835, and 1836," *will not* "show an augmentation of the paper currency there as much disproportioned to the real wants of trade as in the United States. *Nor has there been in England any general rise of prices;* nor do we witness "in both countries the same redundancy of paper money and other facilities of credit," or "the same spirit of speculation." These positions of the President are entirely erroneous, and the facts he supposes have not a shadow of existence.

He said he did not, of course, make these contradictions in an offensive sense, or in a way disrespectful to the President. He had been in favor of his election, and did not regret it. He moreover believed him to be a man of patriotism and integrity, as well as intelligence, and he hoped to be able to support his administration. But if he was (as he was doubtless) a "sincere inquirer after truth," he would be glad to be corrected in views calculated to deceive the people, and divert their minds from the true agency by which they have been overwhelmed. The President's "difference," in fact, ought to have shown him where the fault lay. He states that one nation has become bankrupt. The other sustained itself, and is now nearly recovered. Why this "difference?" Why, simply because ours is the distress of the debtor unable to pay the debt; theirs is the distress of the creditor for want of the money due him. The creditor of a bankrupt is frequently much injured for want of his money, but it does not necessarily follow that he also fails. And in no case is he chargeable with the follies and extravagances that brought about the disaster. He may have been too confiding, but there his fault ends. The injudicious prodigal, with bad advisers, may contract debts, multiply obligations, make experiments, and become embarrassed and bankrupt. The confiding neighbor who trusted him too far may feel sensibly the want of his debt, be obliged to curtail his expenses, or otherwise economize for a while; but, being the creditor, and therefore most likely the richer of the two, he is not so likely to be ruined. [Here Mr. K. read an extract of a letter from a gentleman of Liverpool, stating that "there is no distress in England except that which grows out of American connexions; and that is passing off, though much of the debt remains unpaid."] England, we are told from all quarters, is now easy, and, with an abundance of capital, prepared to make investments, and engage in new enterprises. Yet a mere check to the lavish accommodations of the capitalist, by the embarrassment of his debtor, is analogized, with the utmost complacency, to the prostrate and helpless condition of his bankrupt debtor himself!

Those, he said, who insisted that the national distress could not have been occasioned by the acts of our own Executive, because there had been some distress in those commercial nations with whom we trade, put him in mind of that great philosopher who stumped his toe in the darkness of midnight, and railed out against the sun for not shining in the night instead of the day; alleging, as the result of his most profound observation, that there was light enough in the day without him. They confounded cause and consequence, and lost all connexion between them. It never occurred to the philosopher that the sun might itself be the cause of light, and these gentlemen cannot see our own agency in producing this embarrassment abroad, though the one agency is just about as plain as the other.

Mr. K. said he would try and remove the difficulty of those who felt so much embarrassment on this subject by proving—

1. That there had been no redundancy of the currency in England between 1834 and 1837; but, on the contrary, the value of money during this period had greatly increased by the increase of national wealth, whilst currency remained about stationary.

2. That there had been in England no national overtrading, and that her exchanges had been depreciated by receiving our credit in exchange for her cash and commodities.

3. That our extraordinary, but speculative, demand for the products of English labor had created some activity, especially to the manufacturing interests. Our increased demand for the products of their labor, counteracting our unnatural credit demand for their money also, and thereby only maintaining prices which otherwise (so far from a speculative rise) would have been depreciated by an appreciation of money.

These propositions, Mr. K. said, would rather astonish those who had taken it for granted, without inquiry, that, by some magical fatality, the whole world had been guilty of folly similar to our own, and visited with similar punishment. But if they would take leave of mere assumptions, stump-speeches, party presses, and vagrant conjectures, and be content with the plain evidence of their senses, he thought he would maintain every proposition to the satisfaction of all who would listen to him.

On the first proposition, let us see whether "a reference to the amount of banking capital, &c., in Great Britain during the years 1834, 1835, and 1836, will show an augmentation of paper currency there as much disproportioned to the wants of trade as in the United States."

Mr. K. then read the following table, (prepared from official statements:)

Circulation of the Bank of England, joint-stock, and private banks.

	B'k of Eng.	Joint stock.	Private.	Total.
Jan. 1833	18,318,000	1,315,000	8,836,000	28,469,000
1834	18,377,000	1,258,000	8,733,000	28,568,000
1835	18,100,000	2,188,000	8,231,000	28,519,000
1836	17,427,000	3,095,000	8,357,000	28,875,000
1837	17,868,000	3,755,000	7,258,000	28,881,000

The foregoing table is made from the February monthly returns of the Bank of England, and the December to March quarterly returns of the joint-stock and private banks, as being the most likely way to approximate to the aggregate for the month of January. The original official returns were before him, Mr. King said, and were at the service of any gentleman; and the monthly and tri-monthly variation in the entire circulation was so trifling that it was scarcely worth naming. It would be seen, from the above table, that the entire "augmentation of paper currency" in England during the years 1834, 1835, and 1836, the period mentioned by the President, was only £323,000, or about one-third of one per cent. on the currency, estimating the whole currency of England at £200,000,000; and the entire "augmentation" during 1833 to 1836 inclusive, (commencing one year earlier,) was only £412,000, or not quite one-half of one per cent. on the whole currency, and about one and a half per cent. on the paper circulation. Now, let us see whether this increase is "similar to our own" during the same period.

Mr. KING then presented a statement which he believed to be as accurate as it could be made by a collection and continuation of the returns of local banks up to 1st January, 1837. It was more likely to be an under than an over estimate, from the great difficulty of finding new banks, and getting statements of their issues. The following is the statement:

On the 1st of January, in the following years, the state of the banks was this:

Number of banks.	Capital.	Loans.	Bills in circulation.	Deposites.	Liabilities on bills and deposites.
	Millions of dollars.				
1830—320	145	200	61	56	117
1834—506	200	324	95	76	171
1835—558	231	365	104	83	187
1836—567	252	458	140	115	255
1837—677	324	591	186	155	341

By the above table, it will be seen that, when we add the estimated amount of specie in 1834 and 1836, respectively, we find an augmentation of the entire currency of nearly 94 per cent., and an augmentation of paper circulation of nearly 96 per cent. Our own entire currency, then, "during the years 1834, 1835, and 1836," has increased nearly 94 per cent., and our paper circulation, during the same period, nearly 96 per cent.; whilst the entire currency of England has increased about one-third of one per cent., and her paper circulation, during that period, having fluctuated a mere trifle at any time, and sometimes even contracted, is found, at the end of the period mentioned, to have increased only about 1½ per cent. He had not given himself the trouble to be very minute in the calculations above, and had used round numbers; but no use of authentic materials could vary the result more than a mere fraction, and strict accuracy would most likely make the comparison more unfavorable to the statement of an equal expansion in the two countries during the period referred to.

Instead of equality, then, we had, for England, an increase in the entire estimated currency of the nation of about one-third of one per cent.;

In the United States, an increase of about 94 per cent.;

In England, an increase of paper currency of about 1½ per cent.;

In the United States, an increase of about 96 per cent.

So much (said Mr. KING) for an equal expansion of the currency in both countries. As to the "other credits," they were not tangible, but every man of any observation must know that on this item we should suffer in the comparison more than in the other. Credits were certainly multiplied in England, in some districts, by the increase of the number of joint-stock banks, by which new connexions were formed, and the number of checks, drafts, &c, increased. But the increase of joint stock banks (deducting the private banks melted into them) bears no comparison to the increase of banks in this country, as we find from official statements. The consequent increase of credits, though they cannot be ascertained with precision in either country, may be compared by the result. The increase of credit in England has been based on the same national cash capital, as appears by the unchanged quantity of the currency, as exhibited by the tables. And, that it has not been redundant is unanswerably proven by its having produced no general speculative rise of prices. To speak of a redundancy of currency or credit, when no speculative rise in commodities has taken place, is perfect nonsense. Where facts have been stated and not proved, I have taken issue and disproved them by facts fully established. Where facts are conjectured, I will presently introduce evidence to prove the conjectures groundless, by proving the absence of consequences invariably connected with them. The only way in which a redundancy of currency or credit depreciates foreign exchange is, by producing a speculative rise in prices, and a consequent overtrading. England has not overtraded; on the contrary, she has exported more than she imported, and left us enormously in her debt. But, whilst she had a large balance against us, exchange was against her, and making a continual drain upon her bullion! This strange financial and commercial anomaly, so embarrassing to the English, I will hereafter explain, after having completed the proof on the first proposition.

He then read the evidence of Mr. Gurney, a man of so much intelligence and authority on these subjects as to be called before the joint-stock bank committee lately appointed by Parliament. This witness shows remarkable intelligence on the subject of finance, but is here strangely embarrassed for want of facts, of which he seems entirely ignorant. [Here Mr. K. read the evidence of Mr. Gurney as follows:]

"*Evidence of Mr. Gurney before the Committee of Joint-Stock Banks.*

"*Question* 2,592. Has there been any change of late in the state of the London money market?

"There has been a gradual increase in the value of money.

"*Q.* 2,594. To what do you attribute that altered state of the money market in London?

"One cause has been the exportation of bullion to foreign countries; but, I apprehend the main cause is, the circulating medium existing in Europe and the mercantile parts of America(!) is not increased in proportion to the transactions, and that the same quantity of circulating medium, or perhaps, even a reduced quantity, has to perform a much larger amount of transactions.

"*Q.* 2,595. Would not the effect of it, if owing to that to which you have alluded, be rather indicated in a fall in the money prices of commodities?

"That is the tendency of it; but there are conflicting causes that have marvellously maintained (not increased) the value of commodities generally."

Mr. Gurney is a bill broker, who procures the discount or rediscount of country bills in the London market. He was, therefore, well acquainted with the facts, and the subject on which he speaks, so far as England was concerned; and he tells us that "the value of money had gradually increased." And in another part of his evidence he tells us that the increase is about 20 per cent. He knew this as a fact, and in England he was enabled, in some measure, to account for it; for he knew that currency had not increased, whilst, from the progressive increase of national wealth, commodities and transactions had. He could, therefore, account for the depreciation of exchange, and export of gold to America, on no other supposition than that the currency of the "commercial parts of America" was even more contracted and disproportioned to commodities than in England. But why was not the appreciation of money "indicated by a fall in the money prices of commodities?" Though this was the natural "tendency," "conflicting causes marvellously maintained prices." What were the conflicting causes referred to by Mr. Gurney? Evidently the "increased activity in the manufacturing districts" by the increased demand for the products of English labor for American consumption. The depreciation of commodities by the appreciation of money was counteracted by an appreciation of commodities by an increased demand for them. Though the ideas of Mr. Gurney seem clear, he seems, for want of facts, to be involved in embarrassment and apparent contradiction. That the value of money was raised in England by an insufficiency in quantity, was inconsistent with the exportation of gold, unless in America, also, the currency was contracted. And yet a contraction of the currency in America was inconsistent with our increased demand for English manufactures. Had the witness, however, known that, so far from a contraction, our currency had expanded near 100 per cent., and that exchanges were in our favor whilst there was a large balance against us;

that we were draining them of their gold, in defiance of this heavy debt and redundant currency, his embarrassment would have increased, until he ascertained that we were performing all these commercial miracles under a new system of finance, by which we exchanged our credit for their capital, and, after going in debt for a large commercial balance, borrowed a still greater amount, and thereby turned the exchanges against them by borrowing their own money.

Mr. K. further sustained his proposition, and strengthened his evidence upon this point by introducing official tables from England of some of the principal articles of raw produce for English manufactures, &c., entered for home consumption, and the official and declared valuation of exports: both embracing the period in question, except the official valuation for 1837, which he had not been able to obtain.

The following are the tables produced and read by Mr. KING:

"*Quantities of several principal articles of raw produce of manufactures, &c., entered for home consumption in the years ending January 5th, respectively, with the absolute and proportional increase from* 1834 *to* 1837.

Articles.	1834.	1835.	1836.	1837.
	Pounds.	Pounds.	Pounds.	Pounds.
Cotton - -	296,497,167	308,602,601	333,043,464	370,950,569
Silk, raw -	3,838,795	3,346,751	4,151,008	4,372,498
thrown -	268,367	165,768	254,578	294,934
Wool - -	39,153,463	41,113,448	43,119,993	60,724,794

		Absolute increase.	*Increase per cent.*
Cotton,	pounds -	72,348,168	20.20 nearly.
Silk, raw	" - -	1,025,747	30. do.
thrown	" - -	129,166	50. do.
Wool	" - -	19,611,346	50. do.

Table of the produce and manufactures of Great Britain exported to foreign parts, calculated at the official and declared rate of valuation.

OFFICIAL VALUATION.

1834.	1835.	1836.
69,633,853	73,495,535	77,932,616

Increase official value 5.9.

DECLARED VALUATION.

1834.	1835.	1836.	1837.
39,305,512	41,286, 594	41,437,123	46,796,937

Increase declared value 12 9.

By the above official tables, (Mr. K. said,) it would clearly appear that the national wealth and industry had greatly increased, whilst the currency had remained about stationary, as previously established. Mr. K. thought he had now fully established that the currency of England had not been equally expanded with our own, but, on the contrary, there had been actually "a gradual increase in the value of money."

The second proposition (Mr. K. said) scarcely needed proof from its close connexion with the first. He would put the matter at rest, however, by the production of evidence that ought to be satisfactory to all. This evidence was the perfect agreement, on this point, of Mr. Horsley Palmer and Mr. Knowles in their controversy concerning the action of the joint-stock banks and the conduct of the Bank of England. Mr. Palmer, in apologizing for the contraction of the bank, and alluding to the causes, &c., says: it is necessary to state these, as they seem, in no degree, to have arisen from overtrading or any undue speculative advance in commercial prices." Mr. Knowles, however, is not satisfied with this admission, but, wishing the fact established beyond doubt, he asserts the same thing, and refers to the proofs. Mr. Knowles, after proving that the legitimate demand for currency had been increased by the increase of national wealth, says: "A table of prices, had I time to prepare one, would prove beyond question that so far from a rise in prices generally, in many cases there has been a fall even with decreasing stock; a fact quite incompatible with an over-issue and depreciation of the currency. While, again, where a rise in the prices has taken place, it is distinctly referrible to causes prospectively affecting the market as to supply." Some fluctuations were doubtless exhibited in the manufacturing districts in particular articles, and especially in articles for American consumption, which, from the heavy increased demand for them, could not be readily supplied by existing establishments. This, however, "is distinctly referrible to causes affecting the market as to supply," and was no evidence of a redundancy of the circulation. The distinction might always be settled by an observation of the following rules: that whenever there is a great fluctuation in the value of a particular article or commodity, whilst the value of the property of the country generally remains unaffected, we may take it for granted that the fluctuation is owing to a change in the relation between the demand and supply. For instance, if there be a short crop of corn, the supply will fall short of the demand, and the price of corn will rise, whilst all other commodities may stand firm. This rise is occasioned by the change in the relation between the supply and demand. But if we find the price of every commodity raised to an unusual elevation, (as lately in the United States,) we may take it for granted that the price is owing to the change in the relation between currency and commodities; in other words, that currency or credit, or both, has been greatly increased and consequently depreciated. This partial and local fluctuation, then, where it existed, amounted to nothing, as it was trifling and partial, and attributed to a fluctuation between supply and demand—a fluctuation to be found to some extent in all countries and at all times. Doubtless some additional activity was occasioned by our artificial and credit demand for manufactures, attended also with an increase of manufacturing stock. It is very likely, also, some local overaction in the joint-stock banks was occasioned by the large profits they derived from the discount of American securities and credits to supply our credit demand for money; for under our preposterous system, adopted in 1834, of importing borrowed money to multiply credits upon, we have been willing to take all their cash as well as their commodities, and give more than any body else for them, if they would only let us have them on credit. These partial fluctuations were uncertain and unimportant, and, so far as they did exist, if at all, are easily accounted for, and principally, if not entirely, to be attributed to a connexion with us. In no view of the subject could they be used as evidence of a national redundancy of currency or credit, or of a national overtrading, neither of which, as we have seen, had taken place.

Mr. K. said the latter part of the second proposition, and the whole of the third, seemed to be established by inference from the positions already established, and the proofs already adduced. The only further proof that could be deemed necessary on these points, was to establish the fact that at the very time we were importing large sums of specie under the encouragement of the wise policy of the Executive, as it was called, we were enormously indebted, not only on a commercial balance, but also for money borrowed in the very face of this commercial balance against us.

Mr. K. said, it here again became his unpleasant duty to prove that the President was mistaken in his estimate of the amount of our foreign debt. It was important to notice this mistake with another view. We would not act in reference to our true situation as debtors, if we believed we owed nothing. The President gives the estimate of our foreign debt in March last at thirty millions of dollars. The President could have had no unworthy object in this underestimate; but still it is a mistake, and one that should be noticed and corrected. If the estimate of the President were correct, the debt had evidently been paid, and over-

paid. He had seen an estimate more than two months ago, which seemed reasonable, and probable in all its details, which estimated the liquidation of our foreign debt since the suspension of specie payments at thirty-two millions of dollars. We had been remitting specie, and exchange, and shipping cotton ever since; and he had not the slightest idea that we had paid and liquidated in different ways, since March last, less than forty-five, and perhaps fifty millions of dollars: and yet we find the exchanges heavily against us. He hoped, then, our banks would not begin to expand, and our people to overtrade, on the presumption that Europe was indebted to us.

Mr. K. said no one could pretend to accuracy as to the amount of our foreign debt in March last, but he thought he could satisfy the Senate that, if every species of obligation were taken into account, it was much nearer one hundred and thirty than thirty millions of dollars.

Mr. K. then proceeded to furnish the Senate with such evidence as he had to offer on this subject. In the first place, he took the commercial balance alone for the year 1836, as reported by the Secretary of the Treasury, at upwards of sixty millions. It seemed, by the report furnished at this session by the Secretary, that he estimated the commercial balance which remained as a foreign debt, at over thirty millions; and perhaps this statement misled the President, who took the Secretary's commercial balance of one year for the entire balance at the period referred to. He thought, however, that the Secretary was mistaken even as to this commercial balance for 1836. He seemed to have deducted thirty millions from the sixty (as Mr. K. supposed,) for our share of the profits of trade. Mr. K. thought not a cent should be deducted. We had it from English accounts, and had too much reason to believe the fact, that the principal articles of American exports declined from thirty to forty per cent. between July, 1836, and April, 1837. He believed, then, we had lost on our exports the full amount of profit, and perhaps more; and that the gross amount of balance might safely be estimated as a foreign debt against us for the year 1836 alone.

Mr. K. then proceeded to show the amount of money we had borrowed in Europe in the space of one year ending in the fall of 1836. As Europe owed us nothing on an exchange of commodities, of course, the amount of specie (beyond that included in the statement of imports) which we obtained from them, must have been obtained on credit, in some form or other. It was impossible to get at any thing like correct official information on this subject. As there was no duty or prohibition either on exports or imports of specie, there was but little attention paid to it at custom-houses either in Europe or America. Large bankers, whose business gives them an interest, as well as knowledge of loans and specie shipments, were the only class from which much information could be obtained, and they rarely knew of any except large and notorious transactions. A statement made by Mr. Fayott, of Paris, a man of great research and many opportunities, he believed as much to be relied on as any other. This statement was made in the latter part (if he mistook not) of 1836, and purported to be an estimate of the specie shipped from Europe to America during the year preceding the statement. This statement Mr. K. read, as follows:

Statement from Frederick Fayott's essay, published in Paris in 1836, of the amount of specie shipped from Europe to America, in one year previous to the date of the essay.

England, from documentary evidence, say -	£6,011,666
Holland, two loans, forming together £2,500,000, one-half shipped in specie -	1,250,000
In France, the indemnity 18,000,000 fr. and Hottinguer loan, 14,000,000 together -	1,333,333
	£8,624,999

If the above statement be correct, (and it was certainly more likely to be under than over the true amount,) we had imported near forty millions of dollars in one year, besides the indemnity, which, if the laws of trade had been allowed a free operation, would have been more profitably drawn for than imported. Adding the above sum to the commercial balance of sixty millions, and we had evidence of about one hundred millions, less only the specie included in imports. In addition to this, it was well known, he said, that we had been issuing credits to a greater or less extent ever since the commencement of 1834, and the entire foreign debt might safely be put down at much more than one hundred millions in March last. The debt being established, it follows that the state of our foreign exchanges have been false and delusive, and, having been effected by the use of credit, have been no indication of the true balance of trade on a fair exchange of commodities; credit having the same effect on the exchanges as the exportation of an equal value in commodities. Mr. K., however, concluded this branch of the subject by adding that it would not be necessary to pay the whole debt before exchanges would be equalized; a very large portion of it having assumed the form of investments, on which we should only have to pay the interest; and, moreover, the nature of the commerce between the two countries will bear a very considerable foreign debt against us, without affecting the exchanges.

Mr. K. said that he hoped he had proven to the satisfaction of the Senate, that the causes of the present distress were not common to other commercial countries, which, in fact, had suffered only by their connexion with us. They had not over-traded, over-issued, nor had any speculative rise in prices similar to our own. The causes, then, must be located in our own country; and Mr. K. said he would endeavor to explain when, how, and by what agency they originated here.

He then went back to the removal of the deposites in 1833—a measure that he had frequently spoken of before, as having been productive of much mischief, and no counterbalancing good. He had briefly noticed its agency in bringing the country into its then present condition at the last session; and every prediction then made had become true, and each cause had operated in the manner there stated, so far as they had been since developed. He would only now say of it what all admitted—that it produced a panic which greatly depreciated every article of home consumption in the latter part of 1833 and part of 1834, whilst the price of our exports was not affected by the measure in the foreign market. The immediate effect was a rise in our foreign exchanges, and twelve or fourteen millions of specie poured in upon us. This effect was not anticipated by the President, as we could see by an exposition of his views when the measure was adopted. He had no more idea of bringing specie, than he had of bringing London to America by the removal of the deposites. Yet the friends of the measure immediately boasted of it, as one of the happy results of that wise measure, from which many and countless blessings were to flow in upon the country. Well, sir, the currency was already full, if not redundant; and that this specie, thus suddenly forced in upon us by violently striking down the value of home consumption, would displace an equal amount of paper circulating in good credit, was one of those strange experimental notions by which people unacquainted with the subject have been deluded, and our finances ruined. Paper must first be expelled, and then specie will fill the vacuum, by a law of currency. Expulsion must precede, and cannot, under such circumstances, be expected to follow, the introduction of specie, which, instead of expelling paper, will become the basis of further issues by banks, if they be left uncontrolled by any restricting or regulating power. Accordingly, much of this specie went into banks, or was collected together in

the formation of new banks, the whole continuing to expand, and produce a speculative rise in prices, which, by a reciprocating operation, produced still farther expansions, by a well-known law of finance. This, of course, produced speculation at home and heavy importations from abroad, which at last even extended to the necessaries of life. Our people being intoxicated by this delusive prosperity, every species of property was embraced in the wide range of speculation, which speedily reached the public lands. Every one seemed to think it much easier to get rich by speculating in land than by cultivating it; and, by large land sales, added to heavy importations, soon produced an enormous surplus in the Treasury, which was distributed in a great number of banks. There was a great anxiety to recommend State depositories to the people, and reconcile them to the loss of the United States Bank, by proving that institution to be unnecessary, and accordingly they were stimulated to accommodate the community by the use of the pulic funds. In this way banks were multiplied, paper issues were multiplied, speculations were stimulated, and produced that bloated and diseased condition which began to manifest itself in the summer of 1836.

It may be necessary in this connexion more particularly to notice the means by which we were enabled so long to keep up this forcing process, and prevent an earlier reaction by the operation of our foreign debt. This was plain enough when the facts were known, though it had continued long to puzzle the best financiers of Europe. The natural effect of the general speculative rise of prices here, from a redundancy of our currency and credit, was to depreciate our foreign exchanges, and produce a call for the balance of our foreign debt. Yet we prevented this, by sending them bonds, bank shares, State stocks, and credits of various descriptions, to a greater amount than we owed them. By these means we raised our own exchanges and depreciated theirs, which drained them of their bullion, (as before intimated,) by means of the credits they extended to us. These speculations at home had produced almost an unlimited demand for money, and we would take all their cash, as well as all their commodities, and overbid their own capitalists to get them, provided we could make the operation on credit. Thus we continued inverting the laws of trade, and utterly confounding the bank directors and capitalists of England, until the summer of 1836. We find that the bank directors then made the discovery that the United States had been draining them of their gold "on credit," and they took steps to prevent it, by increasing the rate of interest in June to 4½, and in August to 5 per cent.

Let us now return to the United States. In June, 1836, the ruin threatened by so large an accumulation of the public money, and the uses that were made of it, and the unsound state of the currency generally, was so manifest that all parties united in the opinion that something must be done with it. After full discussion and great deliberation, Congress, with uncommon unanimity, adopted the law to distribute the deposites among the States. Though no measure could be free from objection, this was certainly the wisest that could have been adopted in reference to the end proposed. It depleted the Treasury, and checked over-issues, by a public law, with full notice, easy terms, and ample time for its execution. The President was, unfortunately, opposed to it, and seemed determined, not only to use every means to prevent its efficiency, but to prevent its operation on the Western and Southwestern deposite banks, which, in fact, most needed its operation. With this view, he adopted the famous specie circular—a sort of order in council—though the identical measure had been a few days before proposed as a legislative measure, and, with almost perfect unanimity, rejected by the Senate.

The principal, perhaps only object of this measure was to save from explosion some of the tottering deposite banks in the West and Southwest, when they should be called on to comply with the deposite law, and surrender the public money. His object could not have been to prevent over-isues, such an object being inconsistent with his opposition to the deposite bill, which was certainly, of all others, the best conceived for that purpose. Whatever might have been the motive, the measure was an unwise and unfortunate one, deranging the whole internal commerce of the country, producing panic, breaking up exchanges, and destroying credit, at the very time, of all others, when the country should have been permitted to make the best of its resources, without violence or surprise.

Mr. K. said he was sorry to see his friends who had voted against this Executive measure throughout, now coming forward sanctifying an Executive triumph over the legislative authority, by acknowledging their error. His worthy friend from Connecticut had said that though he had voted uniformly against it, yet that it "might have done some good in saving the banks." This confession of his friend was, perhaps, a harmless offering to Executive power; but as he did not approve of such gratuitous benevolence at the cost of consistency, in a matter of such importance to the country, he must say to his friend that he entirely disagreed with him, and must call upon him for some of the beneficial effects of this wise and salutary measure. The Senator himself told us in the next breath that the deposite banks, and all other banks are broken, and that the public money, both specie and paper, have become unavailable in their vaults. The patient is dead, and yet the treatment is lauded. If a quack, in defiance of all remonstrances, continues his treatment, and the patient dies, we may conjecture that he would have done no better with a different treatment, or without treatment; but how he could have done worse it is somewhat difficult to conceive This measure, then, condemned by the Senate, condemned by the Cabinet, condemned by the people, after full trial, condemned by the whole legislative authority, and condemned by the strong evidences of the mischief it has produced, is still persevered in by the Executive, lauded for its "salutary effects," and was referred to by one Senator (looking at Mr. BENTON) as "the glorious specie circular." [Mr. BENTON. "Yes, the ever-glorious specie circular."] Mr. K., with great animation. Ah, yes, it is all glory and no good. Where are the evidences of your glory? Is there any thing glorious in the present unhappy condition of the country? Your Government insolvent and disgraced Our people branded by foreigners as a nation of fraudulent bankrupts and swindlers; your merchants bankrupt; your manufacturers languishing in idleness and distress; your planters ruined, and two-thirds of the laboring population of the United States threatened with actual starvation. These are the evidences of the "salutary" effects of the measures we are called on to glorify. Why, sir, the Senator must have forgotten that glory has depreciated in the market. Like paper currency, it has been redundant, and is now almost as much below par as rag money; very much for the same reason, too. On examination, we find that neither has had a very solid basis to rest upon.

So much (said Mr. K.) for the glory of this order. I now propose to take a more dispassionate, and better reasoned view of it as a financial measure.

The plain objection to the circular as a financial measure is, that it did violence to all the laws of trade and commerce by the forcible interference of the Government. The easing operations of exchanges, so useful and necessary in adjusting ascertained balances between different sections of the country, were suddenly and violently interrupted. The useful admonition of an unfavorable balance, as indicated by the exchanges, was not only disregarded, but that balance forcibly increased. The destructive tendency of such interference by Government in the com-

merce of the country has been acknowledged by the Senator from North Carolina, [Mr. STRANGE,] though I thought the principle might have been better applied by him. Such measures produce the same effects in the same way, whenever and wherever applied in a free commercial country; always taking the people by surprise, and breaking up the established order of things. The business of the country is as effectually deranged and disorganized by such violence as is the human system by the destruction of the heart.

Commerce has its laws. The people study them, and by study, observation, and experience, become acquainted with them, to a very great extent, and make their calculations and regulate their business accordingly. They always most greatly suffer when forcibly deprived of these advantages; and particularly if the force be applied to a paper or mixed currency. Doubtless the evils of a paper currency (though it has some advantages) are very great. I do not know, in many respects, that they are over-estimated by the Senator from Missouri. I hope he, however, after the most fatal experience to the country, will come to the conclusion that the evils of the system can only be reached by a legislative authority that can reach the system itself. It is acknowledged we have no power over the system, and yet, by this Executive lashing, and fretting, and chastising, and torturing, we keep the country and the currency in a perpetual fever and fluctuation, giving us all the evils of the system without its advantages. Sir, you might as well undertake to make a full-grown intellectual man, with trowel and mortar, and regulate the circulation of his blood with a tinker's tools, as to undertake to make a uniform standard of value of a paper or mixed currency, and regulate its functions, as money, by the continual tinkering, and the successive and sudden application of force by the iron hand of Government. Sir, you can't do it; you have neither the materials nor the laws for such a consummation. You may do infinite mischief, but you will never do any good. You may break up business, and ruin the industrious classess, but you will do no good to any class, except such as know how to profit by confusion, and speculate on the misfortunes of their fellow-men.

He said that at the very time this strange order was issued, exchange was already sufficiently high against the Southwest and West, to have made the transmission of specie a profitable operation. This was seen by the Senate when they with such unanimity refused to take the responsibility of the measure. The effect, as foreseen, was first to raise the exchanges, and then break them up. Why, sir, said he, if the whole currency of the country had been specie, any measure opposing the force of Government to the laws of trade, the practical effect of which should be to require the actual transmission of specie against the rate of exchange, would so far double the exchanges, upon a mathematical principle, by requiring two transits of specie instead of one. So true is the operation of this principle, that even an arbitrary requisition that the paper money alone of the Atlantic seaboard should be received for public lands would have produced a heavy effect upon the exchanges, because, in the exchanges, it would have added to the wrong side of the account.

But, sir, when we come to the actual operation in question; when we come not only to take money from a point where it is due, and send it to a point from which it is owing; to take it from the creditor and send it to the debtor, but perform this rough and anti-commercial operation by taking away the very basis upon which five-sixths of the currency rests, you produce effects that can never be arithmetically calculated, and of which no adequate conception can be formed, except by witnessing the actual effects almost immediately produced by the measure on the commercial seaboard, and those sections upon which the measure was intended to operate. An exact ratio would contract the whole currency in the money market, from which the specie is thus drawn, in the proportion in which paper is based on specie, thereby contracting six millions for every one thus abstracted, if the proportion be five paper dollars based on one of specie. But we all know that such measures do not operate in an exact, but in a loose ratio, from the apprehension, the confusion, panic, and alarm which they create, and the commercial resources they cut off. This measure cut off, to a great extent, the resources of the Atlantic merchants in the enormous amount of debt due them from the West and Southwest; for it not only unnaturally sent their money from them, but prevented any coming to them. But, determining to have some friends to the measure, it has been insisted that although it may have ruined the Atlantic merchants, and done injury to creditors, yet it was a great blessing to the people of the West. These people, however, it seems, are not so easily gulled by these forced blessings; for, after a full trial of it, their representatives, with great unanimity, voted last session to repeal it. The able speech of one of their representatives [Mr. WALKER,] at the last session, explained to us the nature and operation of this blessing, and the Legislature of his State had, by a resolution, unanimously sustained him. He did not know how grateful his friend felt for these blessings forced upon him by the Executive, and which had contributed so largely to bankrupt his constituents; but for himself, Mr. K. said, (to use a rustic phrase,) he would not like to be *funnelled* even with champagne.

But what was its "happy effect" upon the West and Southwest, whilst it ruined the seaboard? Was the debtor aided whilst the creditor was oppressed? Not at all, sir. Whilst this specie was on the voyage of its exile, and after it reached the deposite banks, so far as the commercial and planting interests were concerned, it might as well have been buried in the middle of the earth, or carried back to the mines of Mexico. Did it aid the merchants in paying his Northern and Eastern debts? No; it immediately increased the cost to him of such payment, by increasing the rate of exchange, whilst, at the same time, it closed upon him all the usual resources of obtaining money. This increase in the rate of exchange increased the danger of a demand upon the banks by the merchants, whilst they had also to answer the demands of their bill-holders, who might want to purchase the public lands. What Northern exchange they had was soon exhausted in reducing their circulation, whilst they could not prudently do any business that would place their own issues in the hands of the business part of the community. Against the business part of the community, both merchants and planters, they were suddenly and effectually closed. They could not pay out paper for fear specie would be demanded for it, for the reasons before named. They could not pay out specie or discount for merchants, because the high rate of exchange and difficulty of procuring it at any price would have started it back in twenty-four hours to the section from which it had been unnaturally exiled. They could not pay out specie to the planters, for they owed the merchants, and its destination would have been the same. If, then, they did any business at all, they must do it with the purchasers of public lands, in which they were secure of a return of the specie deposites. Accordingly, they favored this class of customers, in order to do any business at all, and the President himself, in his message, refers to the circular operation by which they contracted many millions of debt upon a few millions of specie; and yet one popular catch to recommend this measure has been, that it was aimed at land speculators.

The measure, Mr. K. said, seemed to have been attended with unmitigated mischief. Even the sales of public lands had most probably been increased by it, before the suspension of specie payments. There was no other way

of accounting for the heavy amount of those sales, after the mania for speculation had already begun to decline. Money became dear and difficult to procure, and all the public lands in market very much culled and selected. The deposite banks in the new States had been devoted almost exclusively to the use of speculators, as before stated, and, moreover, a great number were induced to go into the business after the adoption of the order, who otherwise would not have thought of it. Ours, he said, is an enterprising, speculative people; and whenever Government commits an error, or adopts an unusual measure, they begin to think what can be made of it in a financial point of view. Accordingly, the impression was very general that this measure would greatly check purchases, and that the monopoly of those who would raise specie for the purpose would be much more valuable than if no step had been taken to destroy competition. He said he knew of several himself who collected their capital, turned it into specie, and went into the business, who, but for the order, would not have thought of it. For these reasons, an intelligent gentleman from the West had given it to him as his opinion that the sales had been much increased by the operation of the order, and he (Mr. K.) believed it. If then, it were so desirable to check the sales of the public lands, the object had failed: even the President acknowledges, in the message, that the effect of the order in that particular had been over-estimated. But this was not the object of the order. The object of the order was to prop up a few tottering deposite banks, against the combined but salutary operation of the distribution law, and a heavy exchange. The President, or his advisers, saw that some of the deposite banks in the West and Southwest had expanded enormously, and were in a precarious condition, and exchange already sufficiently high to endanger demands on them for specie; and he feared that, when asked also for a portion of the public money, they would explode, and give a triumph to his enemies, by the failure of his favorite experiment. He determined to sustain them at every hazard, and without a sufficient regard to the interests of the people. Did he succeed in this object? No. On the contrary, in this last grand *coup d'etat*, or, rather, *coup d'argent*, to sustain his experiment, by succoring a few tottering pet banks, he broke the whole; yes, sir, broke the whole; for, although I do not intend to attribute to this order more importance than it deserves in bringing the country into its present condition, yet I have not the remotest conception that we should have had a general suspension of specie payments, and a national bankruptcy, but for the adoption of this order. He said he believed he could prove this to the satisfaction of all who would listen to the facts, and impartially attribute to human passion its natural agency in stimulating human action.

What, then, would probably have been the condition of the country, if this measure had never been adopted? It was, before the adoption of the order, in a diseased, bloated and feverish condition, entirely at the mercy of our foreign creditors. The Bank of England had already taken steps to prevent the further extension of our credits there, and by the advance in the rate of interest had stopped our credit drain upon their bullion, before or about the time the order went into operation. This raised the value of money on the seaboard, where the European debt was owing. Credits to Western and Southwestern banks, and individuals, which had been greatly extended by Northern and Eastern banks, had been checked, and balances were expected to aid in adjusting the foreign debt. This debt, every intelligent merchant saw, must now press upon us to a very considerable extent. The foreign exchange would have pressed upon the seaboard; the seaboard would have pressed upon their Western, Southern and Southwestern debtors. Much of the specie of the banks of this section would have gone back to the seaboard, from which it had been taken, and gone to Europe, from which it had been first borrowed. We should have had a great pressure, some bankruptcies among merchants, and many failures among speculators; many of whom, however, never had any thing, and therefore could lose nothing but their credit. A great number of imprudent and unsound banks would also have exploded, as they should have done: and the impurities of the system would have run off. Many of these banks were mere fancy affairs—the mere funguses of the Treasury—built up without capital, and managed without prudence. Banks that could not sustain themselves under the legitimate operations of trade and commercial demand, should have been permitted to stop. The public good, and even of prudent and solvent banks, required it. What signified a few millions of unavailable funds, in a few imprudent deposite banks, (even if this measure had saved them, which it had not,) compared with the mischief and loss resulting from breaking up the exchanges, destroying credit, choking up the natural channels of commerce, and preventing the resources of the country from flowing to those points where the demands of commerce required them? The condition of the country was known, and the necessity of preparing for a heavy revulsion began to be felt. As usual, however, in the financiering of the ex-President, what was raised by unsuccessful experiment, must be torn down by passion. Never, at any period in our history, did we so much need the privilege of making the best of our resources, by a free and undisturbed circulation of our means. Because the patient was diseased by experiments, was this a reason that he could not be killed by quackery? His condition required the greater care, and a freer circulation; but the President's remedy was like turning the patient heels upwards to cure him of the apoplexy; or putting him to the rack, to reduce a paroxysm of the fever. Fifteen millions of specie—perhaps much less—shipped precisely at the time, from the points and at the rates which should have sent it to meet our foreign debt, would have satisfied our foreign creditors for the present, maintained the value of our exports, and given us time to meet the balance, by economy and another crop.

Men are operated upon by the same passions, whether acting in numbers or as individuals. If one man, by extravagance or bad management, becomes indebted to another more than he has immediate means to pay, but honestly acknowledges the debt, pays down, with punctuality, all the ready means he has to spare, and asks for time to collect his means, and make another crop, the indulgence will be granted. But if he insultingly tells the creditor he had no business to trust him—that this debt shall not be paid, and adopts measures to run off his means into the wilderness, to keep his creditor from getting hold of them; openly boasts of the tricks by which the creditor is thus defrauded; the latter immediately stops all credit, and, instead of receiving part, he demands the whole, and resorts to the most summary and violent process to collect the debt.

This was precisely the relation between England and this country when this order went into operation. The Bank of England ascertained early in 1836 that the United States had been draining them of their bullion "on credit." They adopted the most gentle means in their power, to restore the exchanges and bring back a part of their bullion. The drain was stopped, but nothing or but very little returned to them. By the adoption of the circular, specie was drawn out of active circulation to a great extent, and bore a premium which drew it in the wrong direction. This premium in the West was, at one time, 5 and 10 per cent. It was drawn from the commercial points by some to sell to small dealers; all emigrants drew and carried it, besides what was drawn by others for larger speculations. But it was not only carried off by a premium in the wrong direction, but that which was so carried off, and all other specie, was locked up and prevented from

flowing to the points where it was required. What was the result? Why, the usual rate of exchange did not carry off the specie except to a very small extent. While the foreign exchange pulled one way, the strange policy of the President was pulling the other; and exchange was 12 or 14 per cent. before the suspension of specie-payments. Our enterprising merchants saw their danger from this unnatural warfare against them, but still continued manfully struggling to save their own credit and the honor of the nation. This fact shows how unjust and cruel have been the charges heaped upon the merchants, of conspiring against their own country by a run upon the banks. They conspired to prevent a run, as appears by the premiums they consented to pay for exchange, rather than demand specie. Even their interests, in fact, is a sufficient answer to the reckless charges which have been made against them.

Well, sir, we left England in expectation of getting some remittances to restore a part of the money we had borrowed from her. These remittances, however, were made to a very trifling extent. In the meantime, the President and his friends were boasting of the wise policy of the President in forcibly preventing the operations of exchange, and preventing the payment of our foreign debt. This circular, with the eulogiums on this "wise policy," reached England, and the enemies of the Bank of England began to taunt them with the impotency of the means they had adopted to get back the gold which it was alleged their own mismanagement and want of foresight had suffered to be drawn from them. The temper inspired by this measure, and the taunts and boastings which followed it, was natural enough, and may be seen by the language of the deputy Governor of the bank. It will be recollected that it is admitted on all hands that it was the last action of the Bank of England on American credits that produced our suspension. If I prove that this action was made necessary, or provoked by the specie circular, and what followed it, I have fully established my conclusion from admitted premises.

What says this officer of the bank in reference to the vaporings of the debtor who tricks and defies his creditor instead of paying him, or showing a willingness to pay him? I will read to the Senate his own words.

Mr. KING then read from a late English pamphlet written by Horsley Palmer, the deputy Governor of the Bank, in answer to the charges of Mr. Lloyd:

"In answer to the fifth objection, it is to be stated that no expectation was intended to be held out that gold would return from America so long as it proved more advantageous to ship silver; but the expectation meant to be conveyed was, that notwithstanding all the bombast of the American President, bullion would shortly return to Europe from the United States, and that belief is now in the course of being fulfilled by the daily expected arrivals of silver, with which gold is procurable in the markets of Europe."

The "expected arrivals of silver," or gold either, however, did not come, or at most were very trifling. Our modern financiers had put a clamp upon it, with about as much wisdom as would have been indicated by seizing upon and stopping the exportation of our cotton when more valuable in Europe than here. The principle of expediency is precisely the same. There was one mode by which we could be crushed in an instant. It was "to blow upon American credits" when offered for discount or rediscount by the American houses, or the joint-stock banks. This was postponed to the last, from the disastrous consequences apprehended to the manufacturing interests. The temper displayed in the above extract, however, will show that they were ready to do that, if absolutely necessary, to prevent an insulting triumph. The "bombast" and the circular were continued; "the bank blew on American credits;" our whole foreign debt came upon us at once; a panic was produced; a short struggle was made by the merchants; but a run upon the banks followed: they suspended; the Government suspended; the nation became bankrupt; and we are now assembled to contemplate the wisdom and glory of turning the commerce of a country upside down to make it prosper, and burying its resources to enable it to pay its debts. Who cannot plainly see from this connexion of facts and inferences, causes and consequences, that this unwise interference with the finances produced the action of the Bank of England, which is admitted to have produced the suspension? This is all plain enough, but an effort is made to draw our attention from the true causes by crying out conspiracy; yes, a conspiracy between our merchants and English bankers and the Bank of England, to defeat the Executive policy!! Never was a man so beset with plots and conspiracies as our venerable ex-President. Whenever a new financial system explodes, or one of his experiments fails, he insists it is the result of a vile combination against him and his policy, and calls upon the democracy to rescue him from the hands of his enemies. Now, the interests of the parties is a sufficient guaranty against this, and it again most unfortunately happens to be contradicted by a known and notorious historical fact; the bank applied to Government to drive American securities out of the market! They were saved by the liberals. A curious conspiracy this; and rather an unprofitable one, too, methinks, for merchants and bankers to engage in. John Bull will probably lose twenty-five or thirty millions by it!

But, (continued Mr. K.) we are told of frequent convulsions before. Unfortunate references, Mr. K. thought, for those who made them. What were they when compared to the present? That of 1819 arose from too hasty an effort to restore the confusion into which the finances had fallen under the State banks; that of 1825 was known to have been brought upon us by England; and was short in duration and comparatively trifling in consequence; and what was that of 1832, that is so much harped on? Why, but for the diligence of gentlemen in looking up evidences of these great revulsions, they would not have been known or recollected out of the seaports, and hardly there. He recollected some short paragraphs in 1832, alluding rather timidly to the "rattling of specie in Wall street;" this continued a few days; about five millions were shipped; the Bank of the United States drew bills for about an equal amount; the foreign creditor was satisfied, and the panic ended. We had then no Executive financiering; no specie circulars; trade was left in the hands of its lawful guardians; specie went off when the rate of exchange required it; and, by the prompt payment of five millions, the Bank of the United States got the nation a credit for the balance, which was paid by the crop and a diminished import.

Yet such had been the nature of the warfare against the bank whilst in life, and now against its ghost, that his friend from Connecticut, in the next breath after having praised the circular, made a furious attack upon the bank, for interfering with the laws of trade in 1832, and preventing the export of specie to the whole amount of the foreign debt. How this argument was to be reconciled with the specie circular and the whole "policy" and arguments by which it has been lauded and justified, Mr. K. would leave to the Senator and the friends of that measure to settle among themselves. This charge against the bank, he thought, carried the true doctrine to the opposite extreme. A demand for a cash balance always admonishes the nation that it has over-traded; and unless it has the whole amount to spare, it is frequently an advantage to pay a part and have time to adjust the balance. He thought then the bank had done well in 1832 to pay what was required in specie, and get the nation credit for the balance until the crop of exports could be sold. It was frequently of advantage to an individual, he said, when he had become unexpectedly indebted, to pay what ready money he had, and

get credit for the balance until the sale of his crop; and one advantage of a national institution was, that its credit always enabled it in such circumstances to get indulgence for the nation, as a friend was sometimes useful in getting credit for an individual. Sir, said he, the fate of this institution was most extraordinary. If Mr. Biddle expanded, he was bribing the country: if he contracted, he was ruining the country: if he imported specie, he was speculating upon the country: if he exported specie, he was conspiring against the country: if he stood up, he was impudent: if he sat down, he was suspicious: if he lay down, he was useless: and whenever he made a move, whether he crossed above or below the Executive, he equally muddied the waters.

He thought the Senator from Connecticut had made another mistake in stating that the expansion of the bank occasioned the speculative rise in prices, and our importations of 1831. The over-importation preceded the expansion, and the expansion was avowedly intended to circulate the increase of commodities occasioned by the over-importation. The speculative rise, and over-importation of 1831, were owing to a cause as natural as the ebb and flow of the tides, and almost as periodical. They arose from the preceding low prices, which had stimulated consumption, and exhausted the stocks in 1830. These fluctuations are always going on in every nation to some extent, and arise from the impossibility of keeping up, in the extended business of a nation, an exact relation between supply and demand.

Mr. K. said the United States Bank, though no longer in existence, had been the theme of every gentleman who had addressed the Senate. He should say no more of it than was necessary to justify and defend himself, and the numerous friends of the administration who had believed in the utility of that institution. His defence was fully justified; for, although that institution was established by the democratic party, every friend of it was placed, in sweeping denunciations, among aristocrats, rogues, and conspirators; ranked with the "Biddles and the Barings, and the banks," and set upon in full cry by dunces and demagogues, anxious only to turn attention from their own mischievous blunders and errors.

When he came to maturity, he said, he found the Bank of the United States in successful and happy operation. He learned its history, and found that it was established by the party to which he had always been attached, with the immortal Madison at their head; who after fatal experience had changed his opinion on the subject. This paternity recommended it, but reflection as well as experience convinced him of its great utility as a financial agent to the Government, as an aid to internal and external commerce, and a wholesome regulator of an otherwise unregulated paper system. As an original question, he was and ever had been opposed to the whole paper system, but the system certainly had many advantages in a free country, and moreover was fixed upon us, and no one generation either could or would bear the sacrifices it would cost to get rid of it. And (added he) the progress we should make in getting rid of the system and its abuses, by putting down the Bank of the United States, was predicted by me in the Senate in 1834. Sir, the great temperance president, or temperance reformer, Mr. Delavan, who sends us so many temperance papers, might just as well have undertaken to encourage the cause of temperance in which he is engaged, by breaking up one respectable grocery in Chestnut street, that he might raise up 500 grog shops in the Liberties, the villages, and the Western wilderness. He thought it the part of wisdom not to waste itself on impracticable extremes, but to secure the blessings of the system, and avoid as many of its evils as possible. This he thought was best effected by a national bank, with the aid of the Treasury. The vast extent of our country gave full time to such an institution to lop off redundancies and fill up deficiencies on notice of an irregularity in the currency, in any particular sections before the effect became general. It was clearly the interest of such an institution to perform these duties faithfully. Its own successful operation in a great measure depended on it; which was the best guaranty to the public that they would be so performed. He also believed that the money of the nation could be entrusted to no agency so little dangerous to liberty, or so unlikely to use it for political purposes. Experience proved the truth of this opinion. We had again the best of all security—that is, the security of interest. To engage in politics, or unite itself with a political party, is death to the institution. What evidence had been shown, or could be shown, that the bank ever hinted an interference with politics, until it supposed the Executive to make an overture for that purpose? In 1829 the Executive commenced a correspondence with the bank to procure a change in the president of the New Hampshire branch. He did not say that any thing improper was intended by the Executive, but it was the first interference of the kind, and the bank supposed it to be an attempt to enlist it in politics, and unite the power of the bank with the power of the Government. It declined on the ground that the bank never had and could not now think of interfering in the politics of the country. The rest is known. The message followed with a charge of what nobody had ever heard of before, and recommending a Treasury bank, uniting the power and patronage of a bank to that of the Government. From that time forth the Executive continued to struggle for the money power until it took possession of it in 1833, by the removal of the deposites. I only mention these facts, sir, to prove the great reluctance with which such an institution will always engage in politics. Its interest requires the custom and friendship of both political parties, and it cannot prosper against a war by either. The money power of the Treasury is great, let it be lodged where it will; but, for the reasons stated, I believe it is less in a national bank, connected with and dependent on the business of the country, than in any other. There was no danger of the political influence of a bank, if the Executive would let it alone. Some admitted that the bank had been improperly attacked, but that, being attacked, it had over-issued and otherwise mismanaged in its struggles for a recharter. This might be true to some extent, but, if so, it is more an objection to the direction than the institution, and might be prevented by a simple provision in the charter, which the old charter ought to have contained.

Sir, these are the opinions I have always entertained, and were the opinions of my then colleague, when I came into the Senate; they were known to our constituents. But as this was a matter of expediency, on which they had a right to judge, they expected to be, and shall be, represented; and their wishes, when I last heard from them, were against a national bank. In fact, although I believe it unfortunate that the old bank was destroyed, the question of establishing a new one, at this time, is a very different question. Under our anti bank administration, the bank capital has been much more than doubled in a few years. Is it expedient to add to it? If so, the practicability of controlling it, by a national bank of permissible size, and the manner of doing it, are important questions. The present rate of exchange, too, would render it difficult to procure specie for the institution, and create a demand for it, that would, for the present, add to the distress. There were some other reasons that had been referred to, but which he could not, at this time, notice.

But, we are gravely told, sir, that the "Bank of the United States, with its 'still greater strength,' has not been able to prevent the present state of affairs; that it 'has not been able to check other institutions, or save itself.'" This reference to the bank would have done very well for a party newspaper; but, I must confess, I was somewhat astonished

to find it in a message of the President of the United States. Can it be supposed that the most ignorant can be deceived by this catch at a mere name? Whoever thought of holding the Bank of the United States responsible for the currency, or as a financial regulator, after the withdrawal of its branches, or even after the removal of the deposites? What obligation was it under to the public, after the public had taken away the deposites and dispensed with its services? Was it under any very strong obligation, if it had the power, to aid the Executive in an experiment made at its expense, and intended for its destruction? I should think not; and to hold a State bank responsible because it is called "the Bank of the United States," is absolutely ridiculous. It has fallen into line with the multitude of State banks created under the late administration. It has supported his "policy" by importing specie on credit, that it might hatch more paper upon it. It has gloried in the confusion of the exchanges, by which it has made millions. In short, like the rest of the State banks, it has gone for making money; it has joined its fortunes with the State banks; it has borrowed specie like the State banks; has expanded with the State banks; has shaved with the State banks; has failed with the State banks, and is a State bank, and yet it is held responsible to the country as a national bank. Sir, it is no more a United States Bank, and not so much as the little Burlington bank, which produced such a happy effect with a modicum of the spoils sent to it, and pressingly sent for more to operate on the elections, "in anticipation of the wool clip." There is a United States Bank for ye, established by the Executive to prevent the public money from being employed to operate on the politics of the country!

Why, then, these valiant charges upon a ghost? this war upon a sign? these tilts upon a tombstone? They are about as useful, and about as rational, as the charges of the redoubtable Don Quixote upon the windmills.

In connexion with these perpetual efforts to frighten us with ghosts and "things that are not," Mr. K. said he had never had his democratic feelings so shocked as they had been by a sentiment of the Senator from South Carolina, [Mr. CALHOUN,] warmly applauded by his friend near him, [Mr. STRANGE.] We were told that, though expedient, we should not make this State bank a depository, "because it would be a triumph over the Government!" What Government? The "Government" at the Hermitage, or the Government at the White House? These Governments were both, to be sure, supposed to be inimical to the present State bank, because they did not like Mr. Biddle, its president, who was formerly president of the national institution. But what had the Government had to do with the present State institution? He had supposed, until lately, that the Government meant the legislative power, as established by the constitution; and, if the people, through their representatives, according to the forms of the constitution, should deem it expedient to make any State institution a depository, it would be no objection with him that either the ex-President or present Executive was supposed to be inimical to one of its officers. I do not propose (said he) to make this institution a depository, and nobody has proposed or thought of proposing it, so far as I know. Why, then, this war-whoop against it? To show our devotion to the supposed Executive will? "A change, what a change," has been produced in the tone of American feeling by these violent encroachments and recent triumphs of the Executive over the Legislative authority, in relation to the finances! All eyes are turned to the Executive. The spirit of our fathers has fled. The blood of '76 has run out. Sir, there have been more gray hairs brought upon the head of our youthful and vigorous republic in the last four years, than ought to have grown upon it in one entire century of quiet and peaceful administration, with the constitutional co-operation of the legislative departments.

My friends need not be astonished at the freedom with which I express these sentiments. They believe with me, they have acted with me. We have vainly stood up together against the will of the Executive. Our efforts have been impotent. We have been trampled under foot. The Executive has had his way, and we see the result. I only wish my friends to join me in taking a firm stand, to teach the Executive that his friends are to be consulted in measures of such immense importance to the people as those by which our finances have been ruined. I have no idea of deserting them, sir; they need not apprehend that. I am only expressing freely sentiments I and they have entertained, and not very carefully concealed. I am a party man, sir. All I am as a politician I was made so by party. I have no sympathies with any other party except that with which I have always acted, and by which I have been honored. I respect my political opponents as my fellow-citizens, living under the same laws, subject to the same Government, and equally honest and patriotic with myself. But I differ with them in some of the essential and fundamental principles upon which our Government should be administered, and have nothing to ask, and nothing to expect from them.

I am a democrat, a real democrat. I do not make the profession *ad captandum*; I fear it is becoming rather unpopular; but my early habits and youthful associations made me so. In fact, the sentiment was planted in my heart by nature, cultivated by education, and approved by reason. I believe a democratic republic to be the most philosophical government, and best calculated to develop the energies and sustain the dignity of man, so long as the people have sufficient intelligence to qualify them for self-government. I, therefore, abhor tyranny and irresponsible power in every possible form in which it can be presented; whether it be presented in the hypocritical garb of republican homespun, or tinselled over in the glittering trappings of royalty. I go for a strict construction of the constitution, limited Executive patronage, and an economical administration of the Government; and you will never find me here, sir, with democracy and economy upon the lips, and tyranny and plunder in the heart. "I borrow no false liveries from heaven to serve the devil in."

Mr. K., after some further remarks, concluded this branch of the subject by saying, that he had full confidence that the President, when some present difficulties were removed, would administer his department with wisdom and patriotism, and he hoped and expected to be able to give him his feeble support. But he just wished to tell him now that, if he intended "to tread in the footsteps" of his predecessor, in trampling on the legislative authority, in the management of a subject of all others of the most importance to the people, he should feel it his duty to jostle him out of them. He never would consent (he said) to surrender the finances to the exclusive control of the Executive. If we did this, we should share the fate of every other nation who had submitted to Executive financiering: we should first become a nation of beggars, and then a nation of slaves.

Mr. K. said he had been led on to a length altogether unexpected to himself, and he feared tiresome to the Senate. Several other topics had been suggested by the remarks of other gentlemen, that he would like to touch, but he would dispense with them, and come to a conclusion, after a few words more upon the bill and amendment under consideration. As to the separation from the State banks as depositories, he conceived that a matter of no great consequence, if in the details we could provide safety to the money, and guard against too much patronage and expense. But the bill he thought imperfect and obscure on both these points. And when we had passed the bill, we should have but little idea of what we had done.

As to the amendment proposed, which restricted the receipts of the Government to gold and silver, he could never

consent to think of it, without hearing from his constituents, so long as specie is not the common currency, used by the people in the business transactions of the country. They are never prepared with a currency not in common circulation, and would often and truly be reminded of the Roman quæstors, who were in the habit, among other acts of tyranny, of demanding particular kinds of money for the purposes of extortion. Here, 11,000 specie gatherers, demanding a currency not furnished the people by their own States, or by the ordinary circulation, will give them more trouble than all their other pecuniary transactions, and, being different to the demands made upon them for State taxes, will give to the Federal Government an alien character of tyranny and oppression. He could not conceive, he said, of a measure better calculated to give to the Government of the Union the appearance of a foreign Government, and alienate the affections of the people from it, than the measure proposed.

But, we are told that the Government only demands the constitutional currency, and therefore only asserts a right. This is true, sir; but is it the part of practical wisdom to exert all the power we have, and assert all the rights we claim? Every man has a right to demand specie at all times for every sale he makes, and for every debt due him. But suppose every body were to do it, whilst paper is the common currency, what would become of the country?

Suppose all the merchants of a single city were to suddenly demand specie for all dues from their customers for sales made and to be made, they would only assert a right: and yet what would be the result? The effect would be such upon their debtors and dealers, that they would probably mob the merchants out of the city. You propose that the Government shall do that with the people which people dare not do with each other. Look at the conduct of the people towards the banks ever since they have stopped payment, and specie is at a large premium: do they assert their rights, though they have every inducement to do so! I will refer to my own State as a strong argument to dissipate theoretical beauties by practical consequences. There the banks are by law compelled to pay 18 per cent., on a refusal to pay specie. They are good, and every bill-holder could get his principal and his 18 per cent. in specie, if he were to demand and insist on it. No man of capital could make so good an investment as to get a large sum in Augusta bank bills, make a demand, and hold them till the bank resumes specie payments. Yet nobody does this; and why? Because they are all friendly to banks? Not at all, sir. It is because they are frightened at a view of the consequences, and yield their own to the interests of the community. They know that if specie is forced from the banks, the banks will have to force it from the merchants, and the merchants from the planters, and the great mass of consumers; and, before the matter wound up, its effects would be equal to the confiscation of one-third of the property of the country. The laborious and industrious classes constitute the debtor class, which are much the most numerous, and much the most needy. On this class the sacrifice would ultimately fall. The benefits would be confined to a few creditors, capitalists, and money-lenders. And the measure you propose (said Mr. K.) will operate precisely in the manner I have described, though perhaps not to the same extent. It will do to talk about and speak about here, and some people may think well of it, whilst they think it is only going to put the merchants to a little trouble; but when they find, from experience, that the merchants are only their factors, and the operation falls on them, they will be prepared for a more practical view of the subject.

Mr. K. said he was, to be sure, opposed to the banking system, particularly its abuses. But the people had established it, become accustomed to it, and it now seemed necessary to their business and prosperity. He saw no reason or expediency in taking away the discretion of the Secretary of the Treasury to receive the notes of specie-paying banks when they resume, disburse them for Government purposes at the points where collected, and call on the banks for balances, when necessary for transfers of the Government funds from the points where collected, to the points where needed.

Mr. K. here commented upon the estimates which the Senators from Missouri and North Carolina had put upon current bank bills, and the losses which the bill-holders had sustained by the suspension of specie payments. They seemed to estimate the actual value of a bank bill by the proportion which the specie in the vaults of the banks bore to the aggregate of circulation and deposites; as though the banks had no other means to pay their liabilities but specie. In this way the Senators make out the loss of the people by the banks to be immense. Could there be any advantage in propagating errors so palpable? As a practical question, so far from the bill-holders having lost, they had generally gained by the suspension. Mr. K. here discussed the nature and purposes of money. Money, said he, represents commodities. Its uses are to command them at pleasure, and circulate them with convenience. Whatever answers this purpose, answers the purposes of money. Its value depends on the quantity of commodites it will command, and this again depends on the relation which the quantity of money bears to the quantity of commodities.

The active circulating medium has been greatly reduced in quantity since the suspension, not only by withdrawing specie from circulation, which has become a commodity, but by a reduction of bank paper; and hence it is that current bank paper is *now* much more valuable than gold and silver *was* before the suspension, whilst the whole currency, both paper and specie, was depreciated by its redundant quantity. Are the passions and prejudices of men to be wrought upon when their senses may direct them? Do we not know as an admitted fact, that current bank bills are more valuable now than before the suspension? Let me ask one of these suffering bill-holders what he wishes to do with his money which he held at the time of the suspension? Does he owe a debt? If so, his creditor will be glad to receive it, and expects nothing else. Does he wish to buy provisions for his family? If so, he gets them cheaper than he could before the suspension of specie-payments. Does he wish to buy real estate or stocks? If so, he can get them from thirty to fifty per cent. cheaper than he could before the suspension of specie payments. In short, there is no purpose for which money is used, for which bills are not now more valuable to the holder than before the suspension, whilst the whole currency was depreciated by its quantity, except for the payment of a foreign debt. Those, then, who clamor most about their losses have lost nothing, but generally gained. The merchants sustain the whole loss that is sustained, for they receive it from their debtors at par, and have to pay a premium for specie to pay their foreign creditors.

Strictly and logically speaking, Mr. K. said, paper was now depreciated, when compared now with silver, by the amount of premium on specie, because we had no other legal standard to go by. All he meant to say was, that paper was more valuable now than specie was before the suspension, and, therefore, the holder had lost nothing. So glaring was the fallacy of estimating the loss of the community by the difference between the amount of specie in their vaults and the liabilities of the banks, that the community owed the banks more than the banks owed the community. Each has a right to claim specie; and with a little time for adjustment, the banks could settle every dollar against them without a dollar in specie. He did not wish to be understood as advocating or even apologizing for an irredeemable bank paper; it was too precarious, and subject to fluctuation. But, as practical legislators, we should

view things as they are, and he could see no expediency in endeavoring to impose such fallacies on an already excited community.

Mr. K. concluded by saying that he had no wish to postpone discussion, and therefore was indifferent as to the present fate of his motion. But as he did not like either project, as presented, and wished time to digest a better, he could not consistently make any other motion, and therefore moved the postponement of the whole subject to the first Monday in December next.

Mr. STRANGE said he would not do the Executive of this country the injustice to assume upon himself the office of its vindicator, while so many more able were at hand; but I choose (said Mr. S.) to defend opinions entertained and even uttered by myself before they found a place in the President's message. The Senator from Georgia has been pleased to impute common errors to the President, the Senator from Connecticut, and myself; and so far as we are identified in the charge, the defence of one must *pro tanto* be the defence of all. He alleges that we have imputed the present difficulties in this country exclusively to foreign action, and then proceeds to show that, from the fact of our being a debtor nation, this cannot be the case. Now this statement of our position is not in the fairness which I expected from my friend from Georgia. Neither the President, nor any of those who have spoken on the same side of the question with myself, have pretended that the immediate cause of our difficulties was not to be found in the action of our own people. On the contrary, we have all expressly insisted that it was so. We have not attached blame to the bank or the people of England; but have argued that we, as individuals, and not as a Government, had put ourselves in the power of the Bank of England; and she, in the pursuit of her own real or supposed interests, had made us feel our situation. All arguments are in fairness to be considered in connexion with the issue to be tried, and the issue in this case is, whether the present difficulties are imputable to the administration of the country. The negative of this proposition it was the object of this part of the message and its advocates to maintain; and, in the effort to do so, it would have been very foreign to our purpose to deny that the people of the United States had been themselves the authors of their own misfortunes, or to seek to fasten exclusive blame upon those on the other side of the Atlantic.

It is said we have improperly assumed that there was any commercial distress beyond the limits of this country other than that created by our indebtedness to foreigners. I am far, very far, from being convinced of error in this particular; on the contrary, the newspapers, according to my belief, have for the last few months been teeming with accounts of commercial difficulties on the other side of the Atlantic.

We are further charged with error in intimating that there had been any paper expansion in England, and statistics have been resorted to to fix upon us this charge. Now I confess, not having anticipated this denial, I am not prepared either to admit or deny the correctness of the statistics of the Senator, or to produce others in answer to them. But taking the Senator's own statements, in connexion with another known fact, so far from disproving, I think they fully substantiate our position. I doubt not there is some mistake or omission with regard to the issues of the joint-stock companies in the statistics presented, which, if corrected or supplied, would show upon paper a vast actual increase of bank issues; but grant that it is not so, the Senator himself shows an actual increase of £400,000, or thereabouts. It is true, in this the circulation of the Bank of England is reduced about £2,000,000, and this, it is said, cannot be an expansion; but the gentleman overlooks the fact, that while the circulation of the Bank of England was about £20,000,000, her specie was nearly £11,000,000; while when it was reduced to about £18,000,000, her specie was reduced to only £4,600,000, making an excess, in proportion of her issues to her specie, of nearly £10,000,000. Now paper issues are redundant or otherwise in the proportion which they bear to the specie they represent. But this result in figures is met by a fact, from which it is inferred that the paper issues could not have expanded; and that is, that the value of money in England had rather advanced than depreciated; and here, sir, we detect the great liability we are under to fall into mistakes from too ready an assumption of fiscal maxims. In general it is true that it may be safely affirmed that the currency is not expanded where money continues to advance in value; but there may be circumstances in which the reverse would be the case, and the circumstances of England at the time referred to, are precisely such as would produce such a result. Allowing it to be true that the paper circulation of England had expanded only £400,000, yet we find that specie was withdrawn from the Bank of England, most of which probably came to this country, and of course left England, amounting to £6,300,000; so that the actual circulation of England was reduced about £6,000,000, and money would of course appreciate as the circulating medium would bear a so much less proportion to the property of the country; yet the paper credits of the country would be increased by the amount of whatever (be it bonds, notes, or stocks) was received in exchange for the specie transported to this country, and in proportion to the specie by the difference of the ratio of £20,000,000 to £10,000,000, and about £26,000,000 to £4,600,000; or throwing out of view altogether the amount received in bonds, notes, stocks, or other credits received in exchange for their expatriated specie, still there would be, as before stated, this difference in the state of the currency at the two periods, as far as the Bank of England alone is concerned. At the first her circulation was £20,000,000, or thereabouts, and her specie £10,900,000; and at the latter her circulation was £18,000,000, and her specie £4,600,000. So that, even upon the Senator's own facts, in every point of view, our allegation is made good.

But I am still more surprised at hearing from a gentleman of the high financial attainments of the Senator from Georgia, the position, that because as much property could be bought with a given amount of paper now as formerly, it was not depreciated; or because it will pay as much debt now as ever, that therefore is not depreciated. The true question is, will it bring as much gold and silver now as ever? And as the answer must be in the negative, the depreciation of the paper is unquestionable.

In conclusion, we are told that we ought no longer to submit to being the mere registers of Executive fiats, and that the Executive should consult his friends, and not assume upon himself the dictation of important measures without such consultation. Sir, I have never looked upon this body as the mere register of Executive fiats; nor have I ever understood there was any impropriety in the President submitting to Congress his views of what was required for the public necessities; on the contrary, the constitution expressly requires him to do so, and does not enjoin on him previous consultation with any one. Had the President on the present occasion forborne to indicate in his message such measures as he deemed it expedient, we should have heard the stale cry of "non-committal, non-committal," ringing from every quarter of this continent, and it would have been justly said he had shrunk from his duty; and now that he has frankly and faithfully performed it, we are tauntingly told of dictation and submission.

Mr. NILES said, he rose only to notice one or two observations of the Senator from Georgia, which related to some remarks of his a few days since. It was far from his purpose to enter the lists against his honorable friend from

Georgia. Of all the men with whom he had ever been acquainted, that gentleman was the last with whom he should ever volunteer to engage in a contest. Sir, in the extraordinary and very able speech we have just heard, we have a specimen of the mode of warfare of the Senator. He prepares himself for a contest in a peculiar manner, and arms himself with unusual and extraordinary weapons—weapons with which most of us are wholly unacquainted, and still less acquainted with their use; bowie knives and other weapons, hostile, bloody, deadly. The gentleman has also a mode peculiar to himself in using his weapons; he wields his bowie knife both to cut and to thrust; and he strikes indiscriminately at all that stands in his way, whether friends or foes; the only difference being that he is careful when he aims at a friend to strike a heavier blow, and inflict a deeper wound. The Senator says he is friendly to the President, and Mr. N. knew him too well to doubt it for a moment; but he had a very odd way of showing it. The gentleman entertains peculiar notions about his duty to his friends, and seems to have a very strange way of backing them; he appears to consider it as his principal duty to chasten them. Perhaps he thinks they deserve it.

Mr. N. said there was another reason why he would avoid a contest with the Senator. He has a sort of magical power over facts. In his hands facts are very much like the man of mortar to which he has alluded, and called on the Senator from Missouri to breathe into the breath of life; he moulds and fashions facts to his own liking. His naked assertions, not only unsupported, but directly opposed to known truths, were made with such force and gravity, and such strong apparent conviction of their truth, that they would almost be assented to, when known to be without the least foundation. Such was the Senator's power over facts, that he experienced none of the difficul- which others did, because he could make his facts to suit his arguments, as he had occasion for them. It is as much as most of us could do to supply arguments, especially such as are worth using; but his friend from Georgia, with his fertile mind, could supply facts with the same facility as arguments. Mr. N. said he would not, therefore, think of contending with so formidable and dangerous an antagonist, but would only venture to examine some of the gentleman's facts on those points that related to himself.

The Senator thinks that the statement made by him, (Mr. N.,) that the Bank of the United States had stimulated the excessive importations in 1831, was incorrect, and says that the expansion of the bank did not commence until after that period. But the Senator is mistaken; he has not, in this instance, moulded his facts to suit his argument. The bank did stimulate the excessive importations of 1831. It began its rapid expansions in November, 1830, and by the month of May, 1832, had enlarged its discounts twenty-eight millions of dollars. This was a pretty rapid expansion, and calculated to give a dangerous enlargement to the bounds of trade. But Mr. N. said that he not only charged the bank with stimulating the excess of importations in 1831, but of having interfered, in violation of the laws of trade, and prevented a correction of the evil. The exchanges having become unfavorable in the latter part of 1831, in consequence of the large importations, the bank was fast being drained of its specie. It had parted with five millions, and, to save what it had left, it issued seven millions in drafts on Europe, for the purposes of remittance. This operation saved its specie, and renewed the stimulus to excessive importations. Had not the bank interfered, and arrested the laws of trade, exchange would have continued to rise, more specie would have been drawn from the banks, (which would have forced them to curtail discounts,) foreign goods would have fallen, and all the consequences followed which would have reduced importations the next year. But the interference of the bank, by interposing its credit, prevented this.

The Senator asserts that the principal cause of our difficulties is owing to the irregular and improper commercial and financial transactions with England for several years, and the measures which such transactions forced that country to adopt. The general proposition was one of great importance, and he (Mr. N.) thought it was substantially correct. But the error of the gentleman was, that, from his great zeal to back his friends, he had attributed the commercial and financial transactions of this country with England to the measures of the administration, which had in reality little more influence upon them than facts appear to have had on the gentleman's speech.

Our foreign commerce had been of an extraordinary character since 1831, and particularly the last three years. Our importations for the last three years have exceeded our exports to the amount of nearly one hundred and twenty millions; and, during the same period, when we have had this great excess of importations, there has been specie imported beyond what has been exported to the amount of about thirty-two millions. This was in direct violation of all the ordinary laws of trade. That a large excess of importations should continue for six years in succession, was, he believed, unprecedented in this country, or perhaps any other. But it was still more extraordinary that, during this period, there should be a large importation of specie. This seemed to be a double violation of the laws of trade; it was a violation of the ordinary laws of commerce, that an excess of importations should continue for so many years; and it was another violation that, during such excessive importations of goods, there should be a large importation of specie. An unfavorable balance of trade ordinarily leads to the exportation of specie, and the reduction of imports in the following years—a portion of the exports being required to liquidate former balances. An unfavorable balance of trade usually produces an unfavorable state of exchange which has not generally been the case during this period Mr. N. said he recollected very well that this peculiar state of our foreign trade was the subject of much remark here at the first session of the last Congress, and particularly by a distinguished gentleman, who seems to consider himself as the organ of the commercial interest. That Senator had much to say about the extraordinary state of our monetary affairs; money being scarce—a severe pressure coming upon the country, and interest rising in New York to two or three per cent. per month, whilst exchange on England was favorable. So extraordinary a state of things, it seems to have been supposed, must have originated from the measures of the Government, although it was not easy then to tell what measures, as it was before the Treasury circular.

The distinguished Senator from Massachusettes, so learned and skilled in subjects of commerce and finance, could not understand this inexplicable state of things. But the mystery is revealed; the mist which hung over the subject is dissipated, and the whole truth has come to light. This unnatural state of things has been brought about by the agency of credit in our foreign trade, and by loans and the sale stocks in England, not connected with trade. The large excess of importations has been continued, and the exchange kept favorable by the bankers on both sides of the Atlantic, who loaned their credit to our importing merchants. As long as American merchants could import goods on credit obtained abroad, the exchange would remain favorable; and even the credit of the United States Bank, in the form of drafts or bonds, payable in Europe, produced the same result.

The great American houses in England, the Wildes, Wilson, and Wiggins—the three W's, as they have sometimes been called—which have since all exploded, in cooperation with the United States Bank, have been the principal cause of the excess of our foreign importations. The sale of American stocks, and the negotiation of loans

by the same bankers, have increased the difficulties, and swelled our debt in England, as the Senator from Georgia says, to one hundred and ten millions of dollars. American credit was drawing off the capital of England to this country, which was draining the Bank of England of its specie. The Bank of England had to contend against American credit, which was a contest it could not stand. Its only resource was to attempt to destroy that credit, and the only way to do that was to destroy the credit of the houses through which American credit found its way to the British market. This led to those measures on the part of the Bank of England to which the Senator alluded, intended to discredit the American houses, and strike down at a blow the price of the great American staple. These measures on the part of the Bank of England, occuring at a time when there was a pressure from other causes, brought on the great crisis in this country.

The gentleman from Georgia says these results have been occasioned by the Treasury circular, and other measures of the Government; he says the Government has encouraged the importation of specie; that it has induced the deposite banks to import specie. Mr. N. knew of no such act of the Government. These transactions, both commercial and financial, were of a private character, occasioned by the enterprise of this country, and stimulated by the abuse of bank credit on both sides of the water.

Mr. N. said he repeated his charge made the other day against the Bank of the United States, that it had been the principal agent which had deranged our foreign commerce, and brought the country into its present difficulties. Previous to the interference of that bank in our foreign trade, it was stable; now it was deranged. It had been constantly interfering since 1831; and Mr. Biddle boasts of having, on one occasion, he believed in 1832, saved the whole commercial community from a terrible explosion, by hurrying across the Jerseys between two days—not as Washington did, pursued by the British army—to New York, where, by the use of the credit of the bank, he saved the country. Surely, our trade must rest on a sound foundation, indeed, when it is indebted to a night's journey of one individual for escaping ruin!

The Senator from Georgia thought he (Mr. N.) had changed his sentiments regarding the specie circular; but he had changed them only so far as circumstances had changed. He voted for superseding it last session, believing the exigency had gone past, and still thought he was then right; but from circumstances which have since occurred, he believed the order had had a salutary influence. It has not only kept specie in the country, and saved the Western banks, but it had secured one or two millions for the uses of the Treasury, which had been an essential aid to it in the crisis it had gone through. The Secretary foresaw the coming storm, and, some weeks before the explosion took place, sent circulars to the deposite banks in the West, requiring them to keep their specie for the use of the Treasury; and a large sum has been conveyed across the mountains for that purpose.

The Senator says Mr. N. approves of the Treasury circular, for its operation in preventing the exportation of specie, and condemns the Bank of the United States for measures which prevented the exportation of specie. In reply to this, Mr. N. said, that, as a general or permanent rule, he was opposed to all interference, whether by Government or by banks, with the course of trade, and was opposed to all measures intended either to encourage the importation of specie, or to discourage its exportation. But there were exceptions to general principles; and at a peculiar crisis, when the credit and paper system of two great commercial nations had been greatly and unduly extended, and both were apprehensive of an explosion, and the question was, which should explode, the sudden abstraction of specie, which sustained the floating mass of paper, might be attended with the most serious consequences. It was only in this view of the subject, that he regarded the Treasury circular, as having had a favorable influence in preventing the exportation of specie.

Mr. N. said he would allude only to one topic more. The Senator said that Mr. N. and the Senator from North Carolina [Mr. STRANGE] had approved and endorsed the reasons assigned by the President in his message for the revulsion which had overtaken the country. Mr. N. said he had in his speech barely alluded to that subject, without going into an examination of its merits. He, however, did approve, then and now, of the brief but very clear and satisfactory exposition of the causes of existing embarrassments contained in the message. He would readily endorse that portion of the message, notwithstanding the strong condemnation of the Senator. The gentleman having read this portion of the message, remarked that this might be all very well; that he knew of but one objection to it, and which was, that there was not one word of truth in the whole statement. This was certainly very strong language; but Mr. N. supposed it was only the gentleman's peculiar mode of backing his friends.

Sir, what is this statement, which is thus summarily despatched by the gentleman's hostile weapons? Is there any thing new or extraordinary in it? Does the President pretend to have made any wonderful discovery, or to have looked deeper into the causes of our difficulties than other intelligent individuals? The general cause which he assigns is the natural, the ordinary cause of commercial revulsions; he might almost say that, with the exception of some extraordinary causes, such as "war, pestilence, and famine," it was the only cause of such embarrassments. The general cause assigned was over-trading, over-action, in every department of industry, and an undue extension and abuse of credit. These causes are said to be induced by a great expansion of the paper medium. Is not the statement, so far, correct? Has there not been over-trading, speculation, and gambling, of every kind, in the foriegn trade and the domestic trade, in wild lands and city lots, in stocks, in every thing? Are not these facts universally admitted? Are they denied by any one—by the Senator himself? He (Mr. N.) did not understand that they were. And has there not been an excessive and alarming expansion of the paper medium? This is equally notorious, and cannot surely be controverted by the Senator; for he has himself stated that the currency had, within a few years, increased 200 per cent. In this important fact the message is impregnable. Well, what is there, then, in this exposition of the President, which should call forth such a bold and daring assault? What is there in the statement which should have provoked such a desperate thrust of the gentleman's deadly weapons? Why, sir, the President says that this revulsion has not been confined to the United States; that it has prevailed in England, and, to some extent, in all the commercial countries in Europe; and from this he infers that the causes have been similar; that the spirit of over-trading has been rife in England as well as in the United States, and induced there, also, by an expansion of the currency. In all this we are toldt he message is entirely at fault. There is not one particle of truth here, says the Senator. There has been no expansion of currency in England, no over-trading, no speculation, no distress or commercial embarrassments; no failures; every thing has gone on quietly and smoothly. There has been no Treasury circulars there; no distress for money; John Bull has been at his ease, whilst Jonathan has been in trouble; Englishmen, under a more wise and beneficent Government, have been prosperous and contented, whilst the poor Yankees have had to suffer.

Such is the picture which the Senator drew of the condition of the two countries. He would not say it was a fancy sketch; it was only an instance of the Senators command over facts; but he would say that he did not think

there was ever but one similar picture drawn before, and that was the Senator's own description of that hardy and meritorious class of settlers the *squatters*, who were transformed from an honest race of pioneers, into a predatory banditti, who stole their lands from the United States, and their provisions from the Indians.

But is it really so, that there have been no failures, no distress in England? He (Mr. N.) had really supposed there had been. He had read some of their periodicals, from penny papers to stately quarterlies, and of different politics, whig and tory, radical and conservative; and all, he had supposed, admitted the existence of serious embarrassments and distress, whilst they attributed them to very different causes. But the Senator says that there has been no expansion of the paper currency in England, or not to exceed one and a half per cent., whilst in this country it has expanded two hundred per cent. This last statement was another instance of the Senators power over facts. He knew not where the gentleman got his information, or on what data the statement was based. By the report of the Secretary of the Treasury, it appears that in 1834 there was about eighty millions of paper currency; and in his report last December, he states the paper currency at one hundred and twenty millions, which would be an increase of a little over forty per cent. This was a small inaccuracy, although, perhaps, hardly worth printing.

As respects the expansion in England, the gentleman had read statements from which it appeared there had been little or none, if they rested on good authority. He had heard the statements with great surprise, as he had supposed the fact was otherwise. In all the English publications he had seen, the expansion seemed to be admitted and universally regarded as the cause of the commercial difficulties; and the only dispute appeared to be where the blame belonged—one party charging it to the Bank of England, the other to the joint-stock banks. One thing was certain, and that appeared from the statement read by the Senator, there has been a great increase of the issues of the joint-stock banks, amounting to some three millions of pounds, or near fifteen millions of dollars. The currency of these banks is very frail, and very different from that of the Bank of England; and what may have been the disturbing effect of this large increase of a weaker paper medium, and corresponding diminution of a better currency, he was not financier enough to say.

But does the statement read by the Senator prove that there has been no increase of the paper circulation in England which has occasioned over-trading? Is there no other paper but the bills of the Bank of England, and the private banks, and the joint-stock banks? Is there not another description of paper, commonly called commercial paper, which would have perhaps the same tendency to stimulate over-trading? Are there not bills of exchange and acceptances issued by the great bankers, which form a sort of commercial currency? And would not the expansion of this have a direct tendency to over-action in trade? What had caused the explosion of the three great American houses—the three W's—which had failed for two or three millions each? Had not these houses expanded their paper to a most dangerous and ruinous extent? for it had proved their ruin. The enormous extension of commercial credit by these houses, was the principal cause of our excessive importations, and the derangements of our foreign trade. Thus trade had been stimulated by credit, and carried on by credit, and this credit was principally in England. Sir, steam has been regarded as a powerful agent, and one of the greatest discoveries of modern times; but a much more powerful agent has of late been discovered, which is credit, factitious, artificial credit. The expansive power of credit is vastly beyond that of steam; it is almost as uncontrollable, and as boundless as thought. Yet even credit, that most subtle of all agents, has its limits; and he thanked God it was so. If it had not, credit would destroy all property, all faith, all honesty, and would overwhelm society in one indiscriminate ruin. If there had been no excess of credit in the form of currency in England, there had been a rapid enlargement of commercial credit.

But the Senator says there has been no over-trading in England. What! no over-trading! How is this? There has been over-trading in the United States, and that in our foreign trade, to the amount of more than sixty millions, and this trade has been principally with England. Here are two great commercial nations, and, in the commerce between them, one has largely over-traded, and the other has not over-traded at all. It seems, according to the gentleman's logic, that the trading has been all on one side. We have imported to excess, but England has not exported to excess; we have bought sixty millions more goods than we ought, but they have not sold any more than to supply the usual demand. He had always supposed that, in the intercourse between two nations, if one party had traded to excess, the other had necessarily traded to excess also; if one had imported to excess, the other had exported to excess. Where the fault lay, which party was most to blame, or which had acted most rashly and imprudently, was another question. So far as respects their trade with America, which, he believed, comprised more than one fifth of the whole commerce of England, it was certain that country had over-traded; and he believed in the India trade there had been a like excess, for the larger houses engaged in those two branches of trade appeared to suffer most. As to internal trade, all accounts he had seen agreed that a spirit of speculation and gambling in stocks, and every kind of property, real or imaginary, has been as rife in that country as in the United States. This part of the President's statement, Mr. N. thought, had a little more than one particle of truth in it.

But the Senator informs us that there has been no distress in England, and that on this point the message is entirely mistaken. Well, how does he make this out? Why, he says that England is the creditor country, and America the debtor country; and, therefore, the commercial revulsions have not occasioned distress there; the debtors have been in distress, not the creditors. Is this correct? If debtors fail and cannot pay, do not creditors lose their debts? and does that not occasion distress? In times of general commercial embarrassments and bankruptcies, it might be difficult to say which suffered most, debtors or creditors; he believed, however, that creditors, generally, had the worst of it. The Senator often illustrates his subject by throwing in an anecdote, and he (Mr. N.) would give him one applicable to this question. It was well known that that extraordinary man, Charles J. Fox, was very improvident, and usually involved over head and ears in debt. His father, Lord Holland, once remonstrated with him on the subject, and, after inquiring something into his private affairs, observed that he wondered how he could sleep of nights and owe so much money. You ought rather, said Fox, to wonder how my creditors can sleep. He believed that creditors, generally, had the worst of it, in times of pressure and panic. But are not creditors and debtors united, not only in the same community, but usually in the same individuals? Show me a man who is a creditor to the amount of half a million, or any other large sum, and I will show you a man who is a debtor to a considerable part of the same amount. Let us test the Senator's argument in a case at home. The city of New York is a creditor community in relation to other parts of the Union. There is a very large balance due to it from the whole country, and particularly from the South-Western States. It would, therefore, follow, if the argument was a sound one, that the late revulsion in trade would not have occasioned any distress in New York, be-

cause she is a creditor city. Her merchants have sold an immense amount of goods to the Senator's constituents and others, and by the knocking down of the price of the great staple of the South, they have been wholly unable to pay their debts in New York. But the loss of these debts will not affect the merchants of New York, as they are creditors, and creditors cannot be distressed. But, from some cause or other, New York bas been overwhelmed with bankruptcies and distress, in spite of the Senator's reasoning.

Mr. N. said he had detained the Senate longer than he had intended, as he only rose to put himself right.

Mr. CALHOUN rose and said that he greatly regretted that the Senator from Georgia had thought proper to make the motion to postpone the bill. Its effect, should the motion succeed, would be highly injurious to the country generally, and especially to the South. It was conceded that there was a vast amount of capital locked up, waiting the decision of Congress on this highly important subject; not less, probably, than from sixty to one hundred millions; which would flow into the business channels of the country as soon as the decision was made. This, he would remind the Senator, was the commencement of the business season for the great staples of the South. The cotton and rice would soon be prepared for market, and the tobacco would follow them. The entire machine of commerce, by which these great products were to be exchanged with the world, is deranged, he might say broke, and would not be reconstructed till it was ascertained what was to be done here. If the question is postponed till the regular session, there will be no final action till the spring; during all of which time, comprehending the almost entire business season, things would remain in their present uncertain and deranged condition. The consequences would be a very heavy loss to the planting interest of the South, not to mention other portions; a loss, he would venture to say, of many millions to the planters alone; which would be of vast detriment to that great interest, embarrassed as it now is by heavy debts. After full reflection, he did not think the loss on the coming crop of cotton alone, from delay of action here, would be less than one or two cents the pound, and more than a million and a half on the whole crop. But there was another reason, to his mind, still more powerful against the postponement. We are on the eve of a great revolution in regard to the currency. The first step in that revolution is the separation of the Government and the banks, which he sincerely believed the good of both required. That once made, and each left to move in its own proper sphere, unembarrassed by the other, the change in the credit system, which he held to be inevitable, would, in all probability, be gradual, and without a shock, or injury to any of the great interests of the community. But, if the question of separation be left open; if it is to run into the politics of the country, and be made an engine to act on the presidential election, there is no answering for consequences. A direct issue will be made; and, when passions were roused, there would ensue a conflict between the Government and the banks, which may become violent and convulsive, and shake our system to the centre. For these reasons he deemed it highly desirable, on all sides, that the motion to postpone should not succeed.

The Senator made a remark which had a personal bearing, which he (Mr. C.) could not pass unnoticed. He expressed great abhorrence at the declaration that he (Mr. C.) would not (if there were not other and powerful reasons against it) agree to employ Mr. Biddle's bank as our fiscal agent, because it would give that institution a triumph over the Government, and go far to make it the Government itself.

There was (said Mr. C.) no disputing about taste. We were so dissimilarly constituted, that what was sweet to one was sometimes bitter to another. But he was inclined to think that in this case the difference did not result so much from any organic dissimilarity between him and the Senator, as from the different aspect under which they regard the controversy between General Jackson and the bank. The Senator regards it, as is manifest from the whole tenor of his remarks, as a mere personal affair between General Jackson and the president of the bank; or, at best, between the Executive branch of the Government and the bank; in which, let which side prevail that might, it would be but the triumph of one individual over another, or of the bank over the Executive, or the reverse. Thus regarding it, he was not at all astonished that the Senator should indulge himself in the strong expression that he did; but he must say that he was not a little astonished that the Senator, knowing him and his past course, as he did, could for a moment suppose that he (Mr. C.) regarded it under that aspect. When did he ever utter a sentiment, or do an act, which could by possibility give countenance to the attributing such a sentiment to him, as to consider General Jackson, or the whole House, or the Executive department, as the Government? He would suppose that he was the last man to whom such a sentiment could be attributed. In making the declaration he did, he viewed the subject far more comprehensively. He regarded the controversy under all its circumstances, and looked to results as testing the relative strength of the Government and the banks. He saw the most popular and powerful President that ever filled the chair of State, with boundless patronage, and sustained by a well-formed and campact majority in the Union, and both Houses, (of which the Senator was one,) waging war against the bank, and striving, with all his energy and power, to put it down. Whether right or wrong, (wrong he believed him to be, and still believed,) he was backed by the entire power of the Government, and a great majority of the people. Now, sir, I ask if, after all this, that bank should prove to be so indispensable to the Government as to force itself on it, notwithstanding all these powerful opposing obstacles, greater than can ever again be arrayed against any similar institution, would it not prove that the bank had become stronger than both Government and people? And would it not go far, as he confessed himself, to make the bank the Government? It was under this aspect that he obviously regarded the struggle; and he must say, that, if the Senator, looking on it in the same light, did not regard it with similar sentiments, he could neither envy him his feelings nor his patriotism.

Mr. TIPTON rose and said, the question now under consideration was of so much importance to the people of the State which he had in part the honor to represent here, that he felt it to be his duty to claim the indulgence of the Senate a short time, while he gave his views on some of the topics that at this time engaged the public attention from one end to the other of the country. In a time of profound peace, surrounded, as we thought, by all the elements of prosperity, we are suddenly arrested in our onward march by a wide-spread desolation, commerce crippled, public credit injured, private fortunes ruined, and the public Treasury bankrupt. The late session of Congress had but just closed, the members had scarcely had time to return to their homes, when we are summoned to return to Washington to legislate the Government out of its difficulties, and we find ourselves here in September instead of December, engaged in deliberation on the mode and manner of relieving the distresses of our country.

The inquiry naturally addresses itself to every mind, why is this so? What has produced it, and what is the remedy to be adopted? The honorable Senator from South Carolina, [Mr. CALHOUN,] when he proposed his amendment to the bill under consideration, a few days ago, told us that this question should be met boldly and manfully; to use his own words, let every one (said he) show his hand. I (said Mr. T.) respond to that noble sentiment of the

honorable Senator; the question should be met boldly and fairly; this is a time of deep anxiety with our constituents; there should be no skulking among their public servants; every one should speak freely of the causes which have produced the present embarrassment, and act promptly on such measures as will relieve the people.

It was his opinion that the putting down of the Bank of the United States was the first step to the present embarrassment; the transfer of the public deposites from that bank to the local or State banks stimulated these institutions to extravagant issues, far beyond their ability of redemption; they discounted notes on the public deposites, extending their lines of discount beyond the bounds of prudence: the people in the neighborhoods of the banks, finding that bank accommodations could be had with facility, entered largely into speculations in public lands, town lots, and other property; extravagance in living as well as in dressing increased their indebtedness; in a word, sir, the whole country overtraded, ceased to labor, and contracted debts beyond their ability to pay; speculations were uppermost in the minds of every one.

The Executive of the United States, seeing the public domain rapidly exchanging for credit on the books of the banks, determined to check it, and issued his Treasury order of July 11, 1836, directing that nothing but gold and silver should be received in payment for the public lands. Under the operations of this order, those engaged in purchasing public lands had to procure bank paper, draw the specie from bank and transport it to the land offices; it was no sooner paid into the land offices than the receivers of public moneys deposited it again in the banks to the credit of the Government; thus the indebtedness of the banks was daily and rapidly increasing; the bankers, fearing that the public deposites would be called for in metal, became alarmed at their own condition, closed their doors, and suspended specie payment, thereby putting it out of the power of this Government to pay the public dues according to law, in specie or its equivalent.

This (said Mr. T.) is a brief statement of the causes which have produced the present embarrassment and distress that surround us; it was an unfortunate tampering with the currency and the public deposites by the Executive of the United States. Our troubles have come sooner, but come lighter than they would have done had the Treasury order never existed.

Now for the remedy. The bill reported from the Committee on Finance, imposing additional duties on public officers, as he understood it, intends to cut loose the Government from all banks, and to authorize the Treasury Department to keep and disburse, as well as collect, the whole revenue of the Government, dispensing with banks as fiscal agents altogether. This policy, he thought, might well be questioned; it would strike a portion of the American people like a shock of electricity, on account of the increased patronage and power it must confer on the Executive arm of the Government. He would not declare in advance that he would not go for it, but he would be slow in yielding it his support; and he hoped that a better remedy could be found. He had never been an advocate for using a litter of State or local banks as fiscal agents of the Government; they contain within themselves antagonist principles, each possessing separate views, and looking to the interest of their own stockholders: they cannot or will not act together in transmitting or disbursing the public money of the United States; and so long as they are used as depositories of the public money, embarrassments and occasional losses may be expected.

Mr. T. said that he was opposed to taking any course here that would have a tendency to cripple or to break down the State banks; the people were encouraged to establish State banks, to keep down a Bank of the United States; they had vested their capital to a very large amount in these institutions; many of these banks were perfectly solvent and safe; none more so than the banks of the State from which he came. The banks of Indiana were waiting to see what Congress, the Executive, and other banks could or would do, intending, at an early day, to resume specie payment, and honestly to redeem all their paper; and he could give no vote to discourage or procrastinate so desirable an object. It was true that the banks had not acted well in suspending specie payment and embarrassing the Government, but we should deal mercifully with them; a single breath from the Executive, saying to the State banks we will no longer receive your paper in payment of duties and sales of the public lands, will strike fifty per cent. off the value of all the property of our constituents vested in these banks, indeed of all the property of every description; and he was not prepared to sanction such a course. In the language of the West, give us land-office money; whatever will buy land is as good as gold—is at par in all moneyed transactions in the Western States. No matter however old or ragged paper may be, if it contains words, letters, and figures enough to be receivable for public lands, it is as good as gold, and it matters not what kind of money it may be; if not received in the land office, it is of uncertain and changeable value. It finds its way into the hands of the poorer classes of the community; they are liable to be imposed on and shaved by the rich, in whose hands the better currency was always found. This would be the effect on the Western people, if we refuse to receive the paper of their banks in payment for the public lands; and he left it for Senators representing the interests of banks east of the mountains to say what would be its effect on the interests of their constituents, should the General Government refuse to receive their bank paper in payment for revenue; above all things, Congress should establish and maintain a uniform currency. Have gentlemen forgotten how forcibly the honorable Senator from South Carolina [Mr. CALHOUN] described the influence of this Government on currency the other day, when he said if the United States would but endorse the note of the beggar, it will pass at par? And will that Senator now say to a very large proportion of the people of this country, we cannot receive the paper of your banks for public dues, when by that single act he will bankrupt thousands who have strong claims both on the justice and the clemency of this Government?

Mr. T. said he would not detain the Senate by an attempt to show what effect the measures before it would have on our commerce or exchanges; he left that to abler hands. He pretended only to take a plain common-sense view of the mischievous tendency on the interest of his immediate constituents, and to enter his protest in their behalf against the ruinous consequences that must follow the passage of the bill with the amendments proposed. He said the course that he had marked out for himself to pursue compelled him to vote against the amendments proposed to this bill by the honorable Senators from South Carolina and Missouri. Their amendments, if adopted, looked to a refusal on the part of this Government, at an early day, to receiving or using, in the ordinary transactions of this Government, the paper of all banks, and a return to a metallic currency. This, said he, looks well on paper, but it was impossible, in his opinion, to reduce it to practice. There surely was not metal enough to answer one-half the business transactions of this great and growing country. It was on a mixed currency, partly paper issued on a metallic basis, that our country reached the summit of its prosperity; and who could ask more than to be placed where we were in 1831?

He would vote for the proposition offered by the Senator from Virginia when it came up. It looked more like preserving the property of the people vested in the State banks. Let us collect from the late depositories the public money now in their vaults; but, in doing so, let us give

time for them to pay us without crushing these institutions. This would enable the banks to indulge their creditors, and go far to relieve the embarrassment under which our country was suffering. He cared not what those in high places thought; he considered the duty of this Government to relieve the people, when that could be done with an eye to public justice. Congress now had the power of relief, and, in his opinion, this was a proper occasion on which to exercise it.

The frequent charges thrown out by the late President in his messages to Congress against the Bank of the United States had a tendency to discredit it with the people, and we all witnessed its downfall. The constant lauding of the State banks by the President and his Secretary of the Treasury, as depositories of the public moneys, encouraged the people to take stock in these banks. They grew up, as it were, under Executive favor; and will Congress now lend itself to break them down? The regulation of the currency, and the deposites of public money, if we intend to avoid embarrassment and loss, should be under laws passed by the joint wisdom of Congress, and not left to the whim of a President and his Secretary of the Treasury.

If the bills which had passed the Senate authorizing an issue of Treasury notes, and that authorizing the collection from the deposite banks, became laws, he would be glad to see this extra session come to a close, and let us return to our masters, the people, and consult them on what is further to be done. He did not stand here to register the Executive will; he looked to the boys of the West, those with hard hands, warm hearts, and strong arms, who fell the forest, hold the plough, and repel foreign invasion, for his instructions; it was their voice he felt bound to obey; it was their wishes and interests he came here to represent. If the Executive desires the additional responsibility of keeping and disbursing, as well as of collecting, the revenue of the country, he now enjoys it under the regulations of the Treasury Department since the suspension of specie payments by the deposite banks; and he warned honorable Senators, who, like himself, wished to sustain the present administration, provided its conduct entitled it to the support of the people, to be careful how they entered on new and dangerous experiments. If he were bent on breaking down an administration, he would give up to it the unlimited control of the public money of this Government. He could not vote for the bill reported from the Committee on Finance, but he would vote for the motion of the Senator from Georgia to potspone this whole subject to the next session of Congress, when we shall have an opportunity to ascertain the wishes of our constituents: it is good for us occasionally to consult the sovereign people.

Mr. RIVES rose, and said he would ask leave of the Senate to say a few words which he meant to say yesterday, but was prevented by the speaking of another Senator [Mr. BENTON.] Mr. R. said he rose to protest against the manner in which this question had been, and continued to be, treated by the Senator from South Carolina. That gentleman argued as if there were some proposition before the Senate to re-establish the Bank of the United States, or to confer upon the existing Pennsylvania Bank of the United States some special and important privilege. But, sir, is there any question of that sort really before the Senate? The question presented by the proposition on your table is, whether the notes of banks generally, when they shall have resumed specie payments, ought not, under certain limitations, to be received in payment of the public dues, as they heretofore have been from the origin of the Government down to the present time, or whether they shall be altogether excluded in future, and nothing be received in payment of the public revenue but gold and silver? The question, then, is one which involves alike the whole eight hundred State banks in the Union, constituting that system of credit under which, whatever may have been its occasional excesses, the country has heretofore attained an unparalleled height of prosperity, and has no special reference whatever to the Bank of the United States.

But the honorable Senator, in his remarks yesterday, which the rising of another gentleman to speak, before I could get the floor, then prevented me from answering, said that Mr. Biddle had his eyes steadily fixed on recovering the Government deposites, that all his measures were shaped with that view, and that if the proposition I had offered should be adopted, he would unquestionably accomplish his object. Now, sir, my proposition has not one solitary word or provision in it relating to the Government deposites. It relates exclusively, and this far more for the convenience of the people than for the interest of the banks, to the receivability, under certain limitations, of bank notes, when convertible into specie, in payment of the public revenue. This is a question altogether distinct from that of the Government deposites. It is comparatively a small boon, and one already enjoyed by the banks under existing laws, whenever they resume specie payments—by the Pennsylvania Bank of the United States, as well as by any other bank which shall redeem its notes in specie. I have already stated to the Senate what seems to me conclusive considerations to show that a large majority of the State banks are in a far better situation to make an early resumption of specie payments than the Pennsylvania Bank of the United States. In regard to the Government deposites, on which the honorable Senator says Mr. Biddle has his eyes steadily fixed, I repeat that my proposition, which that gentleman so earnestly opposes, has not a solitary word on the subject. It relates to another matter wholly distinct, and leaves the question of the Government deposites where the law now places it, which, the Senator well knows, refers the selection of the banks to be charged with the public deposites, in the first instance, to the judgment of the Executive. Surely the honorable Senator is not afraid that either the President or the Secretary of the Treasury would select the Pennsylvania Bank of the United States. On that subject, the gentleman may, I think, feel perfectly secure, as the country most assuredly has every reason to do.

It does seem to me, Mr. President, that this perpetual and gratuitous introduction of the Bank of the United States into this debate, with which it has no connexion, as if to alarm the imaginations of grave Senators, is but a poor evidence of the intrinsic strength of the gentleman's cause. Much has been said of argument *ad captandum* in the course of this discussion. I have heard none that can compare with this solemn stalking of the ghost of the Bank of the United States through this hall to "frighten Senators from their propriety." I am as much opposed to that institution as the gentleman or any one else is or can be. I think I may say I have given some proofs of it. The gentleman himself acquits me of any design to favor the interest of that institution, while he says such is the necessary consequence of my proposition. The suggestion is advanced for effect, and then retracted in form. Whatever be the new-born zeal of the Senator from South Carolina against the Bank of the United States, I flatter myself that I stand in a position that places me, at least, as much above suspicion of an undue leaning in favor of that institution as the honorable gentleman. If I mistake not, it was the Senator from South Carolina who introduced and supported the bill for the charter of the United States Bank in 1816; it was he, also, who brought in a bill in 1834, to extend the charter of that institution for a term of twelve years; and none were more conspicuous than he in the well-remembered scenes of that day, in urging the restoration of the Government deposites to this same institution. In every situation of public trust in which I have been placed I have been the constant and unvarying oppo-

nent of that institution; and in this body, in 1834, while the Senator from South Carolina, with his accustomed ability, was urging the restoration of the public deposites to it, (a triumph, indeed, over the Government of the country, which the honorable Senator now so bitterly deprecates,) I stood up here and resisted that measure with every faculty I possessed, and sacrificed, as is well known, my political existence to the force of my convictions on the subject; convictions which, I take leave to say, have strengthened with every day's observation and reflection since. When I recollect these things, it seems to me "strange, passing strange," that the Senator from South Carolina should now appear as the especial and sworn adversary of the Bank of the United States, while I am held up in the attitude of promoting the views and favoring the interests of that institution.

While I am up, (said Mr. R.) I beg leave to say a word in answer to an observation of the Senator from Missouri, [Mr. BENTON.] That gentleman said, if I wished to understand the true character of my proposition, I had only to look over my right shoulder, and see who were likely to support it. [Mr. CLAY, Mr. WEBSTER, and other gentlemen of the Opposition, sit in that direction from Mr. RIVES.] I thank God, Mr. President, that I have a higher rule of action on this floor than any consideration of who is, or who is not, to vote with me. I look at the merits of the proposition itself; and if it be for the good of the country, I go for it, whoever may vote with me or against me. If the Senator knows that I am to derive support to my proposition from gentlemen over my right shoulder, he knows more than I do. I have had no communication with any of those gentlemen, which authorizes me to expect their support. Many of them voted, during the last session, for the same proposition, in common with five-sixths of the friends of the administration, and they may do so again. I occupy the same position now that I did then. If other gentlemen have seen cause to change their views, I have not. On the contrary, the present condition of the country furnishes, in my estimation, new motives to bring forward the proposition, which then received nearly the unanimous sanction of both Houses of Congress. It is impossible that the banking institutions of the country, on whose speedy return to specie payment the soundness of the currency and every other interest of society now depend, can rise up from their prostrate condition, without some measure of this sort. The people wish to see an end of this paper money, (properly so called when inconvertible into specie,) which the gentleman from Missouri so much deprecated. No one has a stronger sense of its evils and dangers than I have. But we shall in vain attempt to get rid of it, in my humble judgment, without some measure of the character I have proposed. I am unwilling to go back to my constituents without having first done something for the relief of the people, as well as the Government. I am unwilling that the American people shall witness any adjournment of this body without the passage of some measure of a healing and salutary character, in relation to the currency of the country.

In regard to the personal appeal of the gentleman from Missouri, if I stand in the position he indicates, what, permit me to ask him, is his own? If I am to look over my right shoulder for the supporters of my proposition, may I not return the compliment by asking him to look only in front of him for his file leader? [Mr. CALHOUN sits in front of Mr. BENTON.] This is, indeed, a singular transposition. The honorable Senator from Missouri, who has so long taken the subject of the currency under his particular charge, is now content to furnish facts and make suggestions to another party leader.

When the sub-Treasury scheme was introduced into the House of Representatives in 1834, out of the meagre number of 33 votes it then received, there was but one friend of the administration who voted in favor of it. It was then denounced, under the auspices and in the name of the administration, as revolutionary, disorganizing, anti-republican, and tending to enlarge Executive power, and place in its hands the means of corruption. Believing now, as I did then, that such is the true character and tendency of the measure, I adhere to the ground taken by the republican party in 1834; and I will use every weapon which reason and argument can furnish in opposition to it. I, for one, will not be afraid to act with any individual, or any party, in resisting a scheme which, however it may be viewed by others, I firmly believe to be fraught with danger to the best interests of my country; and in doing so, so far from abandoning, I but maintain the more closely my republican faith.

Mr. CALHOUN said this attack of the Senator is very extraordinary. Yesterday, in the course of my argument, I endeavored to show that his proposition would inure to the benefit of the Pennsylvania Bank of the United States, and I stated my reasons. I believed he did not contemplate it in that light, but I did; and I said to the Senator, you hold out a powerful temptation to the banks. I stated that the strong banks, and they alone, would take the benefit of this measure, with the United States Bank at their head. Their predominating influence over every other bank was inevitable; and if they got it, they would hold it in *perpetuo*. They would make the necessary sacrifice in the resumption of specie payments, and this bill would serve as the motive; and, if Mr. Biddle tried, he would get it. And now, twenty-four hours afterwards, I am surprised at this storm of passion and personal attack, when I acquitted the gentleman of all improper intentions.

The gentleman says that in 1834 I was in favor of restoring the deposites. I was so; and I now, as then, think they were unnecessarily and illegally removed, and that it was one of the accelerating causes of the catastrophe which he so much laments. New zeal! A new convert! I never made stronger declarations in my life of the banking system than at that time. I said the whole system was hostile to liberty. I was then in favor of the Bank of the United States; but not so as to qualify my position relative to banking. I went farther, and told the Senator and others, your system will fail if you retain a connexion with the banks; there must be a Bank of the United States. With me the question of bank or no bank had reference to the whole banking system. Has he any foundation on which he can now call me a convert? No, sir, I have seen, not for four, but fourteen years, that the issue must be that the banks will be the Government, or the Government the banks; that, by the constant tendency to increase the issues of paper, the banks or the Government must be prostrated. I hardly expected to see that issue in my day; but come I knew and declared it would, sooner or later; and when the question should arise, it would be the greatest of modern times. I would lay a hundred to one, if the Senator's bill should pass, the United States Bank will monopolize its benefits. Of his remarks I will only say that they were unworthy of him, and of the State from which he comes.

On motion of Mr. CLAY, of Kentucky,

The Senate adjourned.

MONDAY, SEPTEMBER 25.

Mr. NILES submitted the following joint resolution:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the two Houses of Congress will adjourn, and close the present session on Monday, the 9th of October next.

Mr. HUBBARD introduced a resolution that the meeting of the Senate from an after its passage should be 10 o'clock.

SUB-TREASURY BILL.

The Senate then resumed the consideration of the bill imposing additional duties, as depositories of the public moneys, on certain officers of the General Government; together with Mr. CALHOUN's and Mr. BENTON's amendments.

Mr. CLAY rose and addressed the Senate upwards of three hours. We cannot undertake to report all that he said, exactly as it was said. We must content ourselves with exhibiting a view of his argument, employing generally the language in which it was expressed.

He commenced by observing that, feeling an anxious desire to see some effectual plan presented to correct the disorders in the currency, and to restore the prosperity of the country, he had avoided precipitating himself into the debate now in progress, that he might attentively examine every remedy that should be proposed, and impartially weigh every consideration urged in its support. No period had ever existed in this country, in which the future was covered by a darker, denser, or more impenetrable gloom. None, in which the duty was so imperative to discard all passion and prejudice, all party ties, and previous bias, and look exclusively to the good of our afflicted country. In one respect—and he thought it a fortunate one—our present difficulties are distinguishable from former domestic troubles, and that is their universality. They are felt, it is true, in different degrees, but they reach every section, every State, every interest, almost every man in the Union. All feel, see, hear, know their existence. As they do not array, like our former divisions, one portion of the confederacy against another, it is to be hoped that common sufferings may lead to common sympathies and common counsels, and that we shall, at no distant day, be able to see a clear way of deliverance. If the present state of the country were produced by the fault of the people; if it proceeded from their wasteful extravagance and their indulgence of a reckless spirit of ruinous speculation; if public measures had no agency whatever in bringing it about, it would nevertheless be the duty of Government to exert all its energies and to employ all its legitimate powers to devise an efficacious remedy. But if our present deplorable condition has sprung from our rulers; if it is to be clearly traced to their acts and operations, that duty becomes infinitely more obligatory; and Government would be faithless to the highest and most solemn of human trusts should it neglect to perform it. And is it not too true that the evils which surround us are to be ascribed to those who have had the conduct of our public affairs?

In glancing at the past, (continued Mr. C.) nothing can be further from my intention than to excite angry feelings, or to find grounds of reproach. It would be far more congenial to my wishes that, on this occasion, we should forget all former unhappy divisions and animosities. But, in order to discover how to get out of our difficulties, we must ascertain, if we can, how we got into them.

Prior to that series of unfortunate measures which had for its object the overthrow of the Bank of the United States, and the discontinuance of its fiscal agency for the Government, no people upon earth ever enjoyed a better currency, or had exchanges better regulated, than the people of the United States. Our monetary system appeared to have attained as great perfection as any thing human can possibly reach. The combination of United States and local banks presented a true image of our system of General and State Governments, and worked quite as well. Not only within the country had we a local and a general currency, perfectly sound, but in whatever quarter of the globe American commerce had penetrated, there also did the bills of the Bank of the United States command unbounded credit and confidence. Now we are in danger of having fixed upon us, indefinitely as to time, that medium—an irredeemable paper currency, which, by the universal consent of the commercial world, is regarded as the worst. How has this reverse come upon us? Can it be doubted that it is the result of those measures to which I have adverted? When at the very moment of adopting them, the very consequences which have happened were foretold as inevitable, is it necessary to look elsewhere for their cause? Never was prediction more distinctly made; never was fulfilment more literal and exact.

Let us suppose that those measures had not been adopted; that the Bank of the United States had been rechartered; that the public deposites had remained undisturbed; and that the Treasury order had never issued: is there not every reason to believe that we should be now in the enjoyment of a sound currency; that the public deposites would be now safe and forthcoming; and that the suspension of specie payments in May last would not have happened?

The President's message asserts that the suspension has proceeded from overaction—over-trading—the indulgence of a spirit of speculation produced by bank and other facilities. I think this is a view of the case entirely too superficial. It would be quite as correct and just, in the instance of a homicide perpetrated by the discharge of a gun, to allege that the leaden ball, and not the man who levelled the piece, was responsible for the murder. The true inquiry is, how came that excessive over-trading and those extensive bank facilities which the message describes? Were they not the necessary and immediate consequences of the overthrow of the bank, and the removal from its custody of the public deposites? And is not this proven by the vast multiplication of banks, the increase of the line of their discounts and accommodations, prompted and stimulated by Secretary Taney, and the great augmentation of their circulation which ensued?

What occurred in the State of Kentucky, in consequence of the veto of the recharter of the Bank of the United States, illustrates its effects throughout the Union. That State had suffered greatly by banks. It was generally opposed to the re-establishment of them. It had found the notes of the Bank of the United States answering all the purposes of a sound currency at home and abroad, and it was perfectly contented with them. At the period of the veto, it had but a single bank, of limited capital and circulation. After it, the State, reluctant to engage in the banking system, and still cherishing hopes of the creation of a new Bank of the United States, encouraged by the supporters of the late President, hesitated about the incorporation of new banks. But, at length, despairing of the establishment of a Bank of the United States, and finding itself exposed to a currency in bank notes from adjacent States, it proceeded to establish banks of its own, and since the veto, since 1833, has incorporate for that single State bank capital to the amount of ten million of dollars—a sum equal to the capital of the first Bank of the United States created for the whole Union!

That the local banks, to which the deposites were transferred from the Bank of the United States, were urged and stimulated freely to discount upon them, we have record evidence from the Treasury Department.

The message, to reconcile us to our misfortunes, and to exonerate the measures of our own Government from all blame in producing the present state of things, refers to the condition of Europe, and especially to that of Great Britain. It alleges, that "in both countries we have witnessed the same redundancy of paper money, and other facilities of credit; the same spirit of speculation; the same partial successes; the same difficulties and reverses; and, at length, nearly the same overwhelming catastrophe."

The very clear and able argument of the Senator from Georgia [Mr. KING] relieves me from the necessity of saying much upon this part of the subject. It appears that during the period referred to by the message, of 1833-'4-'5,

there was, in fact, no augmentation, or a very trifling augmentation, of the circulation of the country, and that the message has totally misconceived the actual state of things in Great Britain. According to the publications to which I have had access, the Bank of England in fact diminished its circulation, comparing the first with the last of that period, about two and half millions sterling, and although the joint-stock and private banks increased theirs, the amount of increase was neutralized by the amount of diminution.

If the state of things were really identical, or similar, in the two countries, it would be fair to trace it to similarity of causes. But is that the case? In Great Britain a sound currency was preserved by a recharter of the Bank of England about the same time that the recharter of the Bank of the United States was agitated here. In the United States we have not preserved a sound currency, in consequence of the veto. If Great Britain were near the same catastrophe (the suspension of specie payments) which occurred here, she nevertheless escaped it; and this difference in the condition of the two countries makes all the difference in the world. Great Britain has recovered from whatever mercantile distresses she experienced: we have not; and when shall we? All is bright and cheerful and encouraging in the prospects which lie before her; and the reverse is our unfortunate situation.

Great Britain has, in truth, experienced only those temporary embarrassments which are incident to commercial transactions, conducted upon the scale of vast magnitude on which hers are carried on. Prosperous and adverse times, action and re-action, are the lot of all commercial countries. But our distresses sink deeper; they reach the heart, which has ceased to perform its office of circulation in the great concerns of our body politic.

Whatever of embarrassment Europe has recently experienced may be satisfactorily explained by its trade and connexions with the United States. The degree of embarrassment has been marked, in the commercial countries there, by the degree of their connexion with the United States. All, or almost all, the great failures in Europe have been of houses engaged in the American trade. Great Britain, which, as the message justly observes, maintains the closest relations with us, has sufferred most; France next, and so on, in the order of their greater or less commercial intercourse with us. Most truly was it said by the Senator from Georgia that the recent embarrasments of Europe were the embarrassments of a creditor, from whom payment was withheld by the debtor, and from whom the precious metals have been unnecessarily withdrawn by the policy of the same debtor.

Since the intensity of suffering, and the disastrous state of things in this country, have far transcended any thing that has occurred in Europe, we must look here for some peculiar and more potent causes than any which have been in operation there. They are to be found in that series of measures to which I have already adverted.

1st. The veto of the bank.

2d. The removal of the deposites, with the urgent injunction of Secretary Taney upon the banks to enlarge their accommodations.

3d. The gold bill, and the demand of gold for the foreign indemnities.

4th. The clumsy execution of the deposite law; and

5th. The Treasury order of July, 1836.

[Here Mr. CLAY went into an examination of these measures to show that the inflated condition of the country, the wild speculations, which had risen to their height when they began to be checked by the preparations of the local banks necessary to meet the deposite law of June, 1836, the final suspension of specie payments, and the consequent disorders in the currency, commerce, and general business of the country, were all to be traced to the influence of the measures enumerated. All these causes operated immediately, directly, and powerfully upon us, and their effects were indirectly felt in Europe.]

The message imputes to the deposite law an agency in producing the existing embarrassments. This is a charge frequently made by the friends of the administration against that law. It is true, that the banks having increased their accommodations, in conformity with the orders of Secretary Taney, it might not have been convenient to recall and pay them over for public use. It is true, also, that the manner in which the law was executed by the Treasury Department, transferring large sums from creditor to debtor portions of the country, without regard to the commerce or business of the country, might have aggravated the inconvenience. But what do those who object to the law think ought to have been done with the surpluses which had accumulated, and were daily augmenting to such an enormous amount in the hands of the deposite banks? Were they to be incorporated with their capitals, and remain there for the benefit of the stockholders? Was it not proper and just that they should be applied to the uses of the people from whom they were collected? And whenever and however taken from the deposite banks, would not inconvenience necessarily happen?

The message asserts that the Bank of the United States, chartered by Pennsylvania, has not been able to save itself or to check other institutions, notwithstanding "the still greater strength it has been said to possess under its present charter." That bank is now a mere State or local institution. Why is it referred to, more than the Bank of Virginia, or any other local institution? The exalted station which the President fills forbids the indulgence of the supposition that the allusion has been made to enable the administration to profit by the prejudices which have been excited against it. Was it the duty of that bank, more than any other State bank, to check the local institutions? Was it not even under less obligation to do so than the deposite banks, selected and fostered by the General Government?

But how could the message venture to assert that it has greater strength than the late Bank of the United States possessed? Whatever may be the liberality of the conditions of its charter, it is impossible that any single State could confer upon it faculties equal to those granted to the late Bank of the United States—first, in making it the sole depository of the revenue of the United States; and, secondly, in making its notes receivable in the payment of all public dues. If a Bank of the United States had existed, it would have had ample notice of the accumulation of public moneys in the local banks, and, by timely measures of precaution, it could have prevented the speculative uses to which they were applied. Such an institution would have been bound, by its relations to the Government to observe its appropriations, and financial arrangements and wants, and to hold itself always ready promptly to meet them. It would have drawn together gradually, but certainly, the public moneys, however disbursed. Responsibility would have been concentrated upon it alone, instead of being weakened or lost by diffusion among some eighty or ninety local banks, dispersed throughout the country, and acting without any effective concert.

A subordinate but not unimportant cause of the evils which at present encompass us has been the course of the late administration towards the compromise act. The great principle of that act, in respect to our domestic industry, was its stability. It was intended and hoped that, by withdrawing the tariff from those annual discussions in Congress, of which it had been the fruitful topic, our manufactures would have a certainty, for a long, period, as to the measure of protection, extended to them by its provisions, which would compensate any reduction in the amount contained in prior acts. For a year or two after it was adopted, the late administration manifested a disposition to

respect it, as an arrangement which was to be inviolable. But, for, some time past, it has been constantly threatened from that quarter, and a settled purpose has been displayed to disregard its conditions. Those who had an agency in bringing it forward, and carrying it through Congress, have been held up to animadversion; it has been declared by members, high in the confidence of the administration in both Houses, to possess no obligatory force beyond any ordinary act of legislation, and new adjustments of the tariff have been proposed in both Houses, in direct contravention of the principles of the compromise; and, at the last session, one of them actually passed the Senate, against the most earnest entreaty and remonstrance. A portion of the South has not united in these attacks upon the compromise; and I take pleasure in saying that the two Senators from South Carolina, especially, have uniformly exhibited a resolution to adhere to it with perfect honor and fidelity.

The effect of these constant threats and attacks, coming from those high in power, has been most injurious. They have shown to the manufacturing interest that no certain reliance was to be placed upon the steadiness of the policy of the Government, no matter under what solemn circumstances it was adopted. That interest has taken alarm; new enterprises have been arrested, old ones curtailed; and at this moment it is the most prostrate of all the interests in country. One-half in amount, as I have been informed, of the manufacturers throughout the country have actually suspended operations; and those who have not, chiefly confine themselves to working up their stocks on hand. The consequence has been, that we have made too little at home, and purchased too much abroad. This has augmented that foreign debt, the existence of which so powerfully contributed to the suspension, and yet forms an obstacle to the resumption of specie payments.

The Senator from South Carolina [Mr. CALHOUN] attributed the creation of the surplus revenue to the tariff policy, and especially to the acts of 1824 and 1828. I do not perceive any advantage, on the present occasion, in reviving or alluding to the former dissensions which prevailed on the subject of that policy. They were all settled and quieted by the great healing measure, the compromise, to which I have referred. By that act I have been willing and ready to abide. And I have desired only that it should be observed and executed in a spirit of good faith and fidelity similar to that by which I have been ever actuated towards it.

The act of 1828 was no measure of the friends of the manufacturers. Its passage was forced by a coalition between their secret and open opponents. But the system of production of American industry did not cause the surplus. It proceeded from the extraordinary sales of the public lands. The receipts, from all sources other than that of the public lands, and expenditures of the years 1833-'4 5-'6, (during which the surplus was accumulating,) both amount to about eighty-seven millions of dollars, thus clearly showing that the customs only supplied the necessary means of public disbursement, and that it was the public domain that produced the surplus.

If the land bill had been allowed to go into operation, it would have distributed gradually and regularly among the several States the proceeds of the public lands, as they would have been received from time to time. They would have returned back in small streams similar to those by which they had been collected, animating, and improving, and fructifying the whole country. There would have been no vast surplus to embarrass the Government; no removal of deposites from the Bank of the United States to the deposite banks, to disturb the business of the country; no accumulations in the deposite banks of immense sums of public money, augmented by the circuit it was performing between the land offices and the banks, and the banks and the land offices; no occasion for the Secretary of the Treasury to lash the deposite banks into the grant of inordinate accommodations; and possibly there would have been no suspension of specie payments. But that bill was suppressed by a most extraordinary and dangerous exercise of Executive power.

The cause of our present difficulties may be stated in another way. During the late administration we have been deprived of the practical benefit of a free Government; the forms, it is true, remained and were observed, but the essence did not exist. In a free, or self-government, the collected wisdom, the aggregate will of the whole, or at least of a majority, moulds and directs the course of public affairs. In a despotism, the will of a single individual governs. In a practically free Government the nation controls the Chief Magistrate; in an arbitrary Government, the Chief Magistrate controls the nation. And has not this been our situation in the period mentioned? Has not one man forced his own will on the nation? Have not all those disastrous measures—the veto of the bank; the removal of the deposites; the rejection of the land bill; and the Treasury order, which have led to our present unfortunate condition, been adopted, in spite of the wishes of the country, and in opposition, probably, to those of the dominant party itself?

Our misfortune has not been the want of wisdom, but of firmness. The party in power would not have governed the country very ill, if it had been allowed its own way. Its fatal error has been to lend its sanction, and to bestow its subsequent applause and support upon Executive acts which, in their origin, it previously deprecated or condemned. We have been shocked and grieved to see whole legislative bodies and communities approving and lauding the rejection of the very measures which previously they had unanimously recommended! To see whole States abandoning their long-cherished policy and best interests in subserviency to Executive pleasure! And the numberless examples of individuals who have surrendered their independence, must inflict pain in every patriot bosom. A single case forces itself upon my recollection as an illustration, to which I do not advert from any unkind feelings towards the gentleman to whom I refer, between whom and myself civil and courteous relations have ever existed. The memorial of the late Bank of the United States praying for a recharter was placed in his hands, and he presented it to the Senate. He carried the recharter through the Senate. The veto came; and, in two or three weeks afterwards, we behold the same Senator, at the head of an assembly of the people in State House yard, in Philadelphia, applauding the veto, and condemning the bank—condemning his own act! Motives lie beyond the reach of the human eye, and it does not belong to me to say what they were which prompted this self-castigation, and this praise of the destruction of his own work; but it is impossible to overlook the fact that this same Senator, in due time, received from the author of the veto the gift of a splendid foreign mission!

The moral deducible from the past is, that our free institutions are superior to all others, and can be preserved in their purity and excellence only upon the stern condition that we shall forever hold the obligations of patriotism paramount to all the ties of party, or to individual dictation; and that we shall never openly approve what we secretly condemn.

In this rapid, and, I hope, not fatiguing review of the causes which I think have brought upon us existing embarrassments, I repeat that it has been for no purpose of reproaching or criminating those who have had the conduct of our public affairs; but to discover the means by which the present crisis has been produced, with a view to ascertain, if possible, what (which is by far much more important) should be done by Congress to avert its injurious effects. And this brings me to consider the remedy proposed by the administration.

The great evil under which the country labors is the suspension of the banks to pay specie, the total derangement in all domestic exchanges, and the paralysis which has come over the whole business of the country. In regard to the currency, it is not that a given amount of bank notes will not now command as much as the same amount of specie would have done prior to the suspension; but it is the future, the danger of an inconvertible paper money being indefinitely or permanently fixed upon the people, that fills them with apprehensions. Our great object should be to re-establish a sound currency, and thereby to restore the exchanges and revive the business of the country.

The first impression which the measures brought forward by the administration make, is, that they consist of temporary expedients, looking to the supply of the necessities of the Treasury; for so far as any of them possess a permanent character, its tendency is rather to aggravate than alleviate the sufferings of the people. None of them purposes to rectify the disorders in the actual currency of the country; but the people, the States, and their banks are left to shift for themselves as they may or can. The administration, after having intervened between the States and their banks, and taken them into the federal service, without the consent of the States; after having puffed and praised them; after having brought them, or contributed to bring them, into their present situation, now suddenly turns its back upon them, leaving them to their fate! It is not content with that; it must absolutely discredit their issues. And the very people who were told by the administration that these banks would supply them with a better currency, are now left to struggle as they can with the very currency which the Government recommended to them, but which it now refuses itself to receive!

The professed object of the administration is to establish what it terms the currency of the constitution, which it proposes to accomplish by restricting the Federal Government, in all receipts and payments, to the exclusive use of specie, and by refusing all bank paper, whether convertible or not. It disclaims all purposes of crippling or putting down the banks of the States; but we shall better determine the design or the effect of the measures recommended by considering them together as one system.

1. The first is the sub-Treasuries, which are to be made the depositories of all the specie collected and paid out for the service of the General Government, discrediting and refusing all the notes of the States, although payable and paid in specie.

2. A bankrupt law for the United States, levelled at all the State banks, and authorizing the seizure of the effects of any of them that stop payment, and the administration of their effects under the federal authority exclusively.

3. A particular law for the District of Columbia, by which all the corporations and people of the District, under severe pains and penalties, are prohibited from circulating, sixty days after the passage of the law, any paper whatever not convertible into specie on demand, and are made liable to prosecution by indictment.

4. And lastly, the bill to suspend the payment of the fourth instalment to the States, by the provisions of which the deposite banks indebted to the Government are placed at the discretion of the Secretary of the Treasury.

It is impossible to consider this system without perceiving that it is aimed at, and, if carried out, must terminate in the total subversion of the State banks; and that they will be all placed at the mercy of the Federal Government. It is in vain to protest that there exists no design against them. The effect of these measures cannot be misunderstood.

And why this new experiment or untried expedient? The people of this country are tired of experiments. Ought not the administration itself to cease with them? Ought it not to take warning from the events of recent elections? Above all, should not the Senate, constituted as it now is, be the last body to lend itself to further experiments upon the business and happiness of this great people? According to the latest expression of public opinion in the several States, the Senate is no longer a true exponent of the will of the States or of the people. If it were, there would be thirty-two or thirty-four whigs to eighteen or twenty friends of the administration.

Is it desirable to banish a convertible paper medium, and to substitute the precious metals as the sole currency to be used in all the vast extent of varied business of this entire country? I think not. The quantity of precious metals in the world, looking to our fair distributive share of them, is wholly insufficient. A convertible paper is a great time-saving and labor-saving instrument, independent of its superior advantages in transfers and remittances. A friend, no longer ago than yesterday, informed me of a single bank whose payments and receipts in one day amounted to two millions of dollars. What time would not have been necessary to count such a vast sum? The payments, in the circle of a year, in the city of New York, were estimated several years ago at fifteen hundred millions. How many men and how many days would be necessary to count such a sum? A young, growing, and enterprising people, like those of the United States, more than any other, need the use of those credits which are incident to a sound paper system. Credit is the friend of indigent merit. Of all nations, Great Britain has most freely used the credit system; and of all she is the most prosperous. We must cease to be a commercial people; we must separate, divorce ourselves from the commercial world, and throw ourselves back for centuries, if we restrict our business to the exclusive use of specie.

It is objected against a convertible paper system, that it is liable to expansions and contractions; and that the consequence is the rise and fall of prices, and sudden fortunes or sudden ruin. But it is the importation or exportation of specie which forms the basis of paper, that occasions these fluctuations. If specie alone were the medium of circulation, the same importation or exportation of it would make it plenty or scarce, and affect prices in the same manner. The nominal or apparent prices might vary in figures, but the sensation upon the community would be as great in the one case as in the other. These alternations do not result, therefore, from the nature of the medium, whether that be specie exclusively, or paper convertible into specie, but from the operations of commerce. It is commerce, at last, that is chargeable with expansions and contractions; and against commerce, and not its instrument, should opposition be directed.

I have heard it urged by the Senator from South Carolina [Mr. CALHOUN] with no little surprise, in the course of this debate, that a convertible paper would not answer for a currency, but that the true standard of value was to be found in a paper medium not convertible into the precious metals. If there be, in regard to currency, one truth which the united experience of the whole commercial world had established, I had supposed it to be that emissions of pure paper money constituted the very worst of all conceivable species of currency. The objections to it are: first, that it is impracticable to ascertain, *a priori*, what amount can be issued without depreciation; and, secondly, that there is no adequate security, and, in the nature of things, none can exist, against excessive issues. The paper money of North Carolina, to which the Senator referred, according to the information which I have received, did depreciate. It was called Proc., an abbreviation of the authority under which it was put forth, and it took one and a half and sometimes two dollars of proc. to purchase one in specie. But if any one desires to understand perfectly the operation of a purely paper currency, let him study the history of the Bank of the Commonwealth of Kentucky.

It was established about 15 or 16 years ago, with the consent of a majority of the people of that State. It is winding up and closing its career, with the almost unanimous approbation of the whole people. It had an authority to issue, and did issue, notes to the amount of about two millions of dollars. These notes, upon their face, purported an obligation of the bank to pay the holder, on demand, the amount in specie; but it was well known that they would not be so paid. As a security for their ultimate payment, they were, 1st, the notes of individuals supposed to be well secured, every note put out by the bank being represented by an individual note discounted. 2d. The funds of the State in a prior State bank, amounting to about half a million of dollars. 3d. The proceeds of a large body of waste lands belonging to the State. And, 4th. The annual revenue of the State and public dues, all of which were payable in the notes of the Commonwealth Bank.

Notwithstanding this apparently solid provision for the redemption of the notes of the bank, they began to depreciate shortly after it commenced operation, and in the course of a few months they sunk as low as fifty per cent., two dollars for one specie dollar. They continued depreciated for a long time, until after large amounts of them were called in and burnt. They then rose in value, and now, when there is only some fifty or one hundred thousand dollars out, they have risen to about par. This is owing to the demand for them, created by the wants of the remaining debtors to the bank, and their receivability in payment of taxes. The result of the experiment is, that, although it is possible to sustain at about par a purely paper medium to some amount, if the legislative authority which creates it will also create a demand for it, it is impracticable to adjust the proportions of supply and demand so as to keep it at par; and that the tendency is always to an excess of issue. The result, with the people of Kentucky, has been a general conviction of the mischiefs of all issues of an irredeemable paper medium.

Is it practicable for the Federal Government to put down the State banks, and to introduce an exclusive metallic currency? In the operations of this Government, we should ever bear in mind that political power is distributed between it and the States, and that, whilst our duties are few and clearly defined, the great mass of legislative authority abides with the States. Their banks exist without us, independent of us, and in spite of us. We have no constitutional power or right to put them down. Why, then, seek their destruction, openly or secretly, directly or indirectly, by discrediting their issues, and by bankrupt laws, and bills of pains and penalties? What are these banks, now so decried and denounced? Intruders, aliens, enemies that have found their way into the bosom of our country against our will? Reduced to their elements, and the analysis shows that they consist: 1st, of stockholders; 2d. debtors; and 3d. bill-holders and other creditors. In some one of these three relations, a large majority of the people of the United States stand. In making war upon the banks, therefore, you wage war upon the people of the United States. It is not a mere abstraction that you would kick, and cuff, and bankrupt and destroy, but a sensitive, generous, confiding people, who are anxiously turning their eyes towards you, and imploring relief. Every blow that you inflict upon the banks reaches them. Press the banks, and you press them.

True wisdom, it seems to me, requires that we should not seek after, if we could discover, unattainable abstract perfection; but should look to what is practicable in human affairs, and accommodate our legislation to the irreversible condition of things. Since the States and the people have their banks and will have them, and since we have no constitutional authority to put them down, our duty is to come to their relief when in embarrassment, and to exert all our legitimate powers to sustain and enable them to perform, in the most beneficial manner, the purposes of their insitution. We should embark, not destroy, the fertilizing stream which sometimes threatens an inundation.

We are told that it is necessary to separate, divorce the Government from the banks. Let us not be deluded by sounds. Senators might as well talk of separating the Government from the States, or from the people, or from the country. We are all—people—States—Union—banks, bound up and interwoven together, united in fortune and destiny, and all, all entitled to the protecting care of a parental Government. You may as well attempt to make the Government breathe a different air, drink a different water, be lit and warmed by a different sun from the people! A hard-money Government and a paper-money people! A Government, an official corps—the servants of the people—glittering in gold, and the people themselves, their masters, buried in ruin, and surrounded with rags.

No prudent or practical Government will in its measures run counter to the long-settled habits and usages of the people. Religion, language, laws, the established currency and business of the whole country, cannot be easily or suddenly uprooted. After the denomination of our coin was changed to dollars and cents, many years elapsed before the old method of keeping accounts, in pounds, shillings, and pence, was abandoned. And, to this day, there are probably some men of the last century who adhere to it. If a fundamental change becomes necessary, it should not be sudden, but conducted by slow and cautious degrees. The people of the United States have always been a paper-money people. It was paper money that carried us through the Revolution, established our liberties, and made us a free and independent people. And, if the experience of the revolutionary war convinced our ancestors, as we are convinced, of the evils of an irredeemable paper medium, it was put aside only to give place to that convertible paper which has so powerfully contributed to our rapid advancement, prosperity, and greatness.

The proposed substitution of an exclusive metallic currency, to the mixed medium with which we have been so long familiar, is forbidden by the principles of eternal justice. Assuming the currency of the country to consist of two-thirds of paper and one of specie; and assuming also that the money of a country, whatever may be its component parts, regulates all values, and expresses the true amount which the debtor has to pay to his creditor, the effect of the change upon that relation, and upon the property of the country, would be most ruinous. All property would be reduced in value to one-third of its present nominal amount; and every debtor would, in effect, have to pay three times as much as he had contracted for. The pressure of our foreign debt would be three times as great as it is, whilst the six hundred millions, which is about the sum now probably due to the banks from the people, would be multiplied into eighteen hundred millions.

But there are some more specific objections to this project of sub-treasuries, which deserve to be noticed. The first is its insecurity. The sub-treasurer and his bondsmen constitute the only guaranty for the safety of the immense sums of public money which pass through his hands. Is this to be compared with that which is possessed through the agency of banks? The collector, who is to be the sub-treasurer, pays the money to the bank, and the bank to the disbursing officer. Here are three checks; you propose to destroy two of them, and that most important of all, the bank, with its machinery of president, directors, cashier, teller, and clerks, all of whom are so many sentinels. At the very moment when the Secretary of the Treasury tells us how well his sub-Treasury system works, he has communicated to Congress a circular, signed by himself, exhibiting his distrust in it; for he directs, in that circular, that the public moneys, when they amount to a large sum, shall be specially deposited with those very banks which

he would repudiate. In the State of Kentucky, (other gentlemen can speak of their respective States,) although it has existed but about forty-five years, three treasurers, selected by the Legislature for their established characters of honor and probity, proved faithless. And the history of the delinquency of one is the history of all. It commenced in human weakness, yielding to earnest solicitations for temporary loans, with the most positive assurances of a punctual return. In no instance was there originally any intention to defraud the public. We should not expose poor weak human nature to such temptations. How easy will it be, as has been done, to indemnify the sureties out of the public money, and squander the residue?

2. Then there is the liability to favoritism. In the receipts, a political partisan or friend may be accommodated in the payment of duties, in the disbursement, in the purchase of bills, in drafts upon convenient and favorable offices, and in a thousand ways.

3. The fearful increase of Executive patronage. Hundreds and thousands of new officers are to be created; for this bill is a mere commencement of the system, and all are to be placed under the direct control of the President.

The Senator from South Carolina [Mr. CALHOUN] thinks that the Executive is now weak, and that no danger is to be apprehended from its patronage. I wish to God I could see the subject in the same light that he does. I wish that I could feel free from that alarm at Executive encroachments by which he and I were so recently animated. When and how, let me ask, has that power, lately so fearful and formidable, suddenly become so weak and harmless? Where is that corps of one hundred thousand office holders and dependants whose organized strength, directed by the will of a single man, was lately held up in such vivid colors and powerful language by a report made by the Senator himself? When were they disbanded? What has become of proscription? Its victims may be exhausted, but the spirit and the power which sacrificed them remain unsubdued. What of the dismissing power? What of the veto? Of that practice of withholding bills, contrary to the constitution, still more reprehensible than the abuses of the veto? Of Treasury orders, put in force and maintained in defiance and contempt of the legislative authority? And, although last, not least, of that expunging power which degraded the Senate, and placed it at the feet of the Executive?

Which of all these enormous powers and pretensions has the present Chief Magistrate disavowed? So far from disclaiming any one of them, has he not announced his intention to follow in the very footsteps of his predecessor? And has he not done it? Was it against the person of Andrew Jackson that the Senator from South Carolina so ably co-operated with us? No, sir, no, sir, no. It was against his usurpations, as we believed them; against his arbitrary administration; above all, against that tremendous, and frightful augmentation of the power of the Executive branch of the Government, that we patriotically but vainly contended. The person of the Chief Magistrate is changed, but there stands the Executive power, perpetuated in all its vast magnitude, undiminished, reasserted, and overshadowing all the other departments of the Government. Every trophy which the late President won from them now decorates the Executive mansion. Every power which he tore from a bleeding constitution, is now in the Executive armory, ready, as time and occasion may prompt the existing incumbent, whoever he may be, to be thundered against the liberties of the people.

Whatever may have been the motives or the course of others, I owe it to myself and to truth to say, that, in deprecating the election of General Andrew Jackson to the office of Chief Magistrate, it was not from any private considerations, but because I considered it would be a great calamity to my country; and that, in whatever opposition I made to measures of his administration, which more than realized my very worst apprehensions, I was guided solely by a sense of public duty. And I do now declare my solemn and unshaken conviction that, until the Executive power, as enlarged, extended, and consolidated by him, is reduced within its true constitutional limits, there is no permanent security for the liberties and happiness of this people.

4. Lastly, pass this bill, and whatever divorce its friends may profess to be its aim, that perilous union of the purse and the sword, so justly dreaded by our British and Revolutionary ancestors, becomes absolute and complete. And who can doubt it who knows that over the Secretary of the Treasury at Washington, and every sub-treasurer, the President claims the power to exercise uncontrolled sway? To exact implicit obedience to his will?

The message states that, in the process both of collection and disbursement of the public revenue, the officers who perform it act under the Executive commands; and it argues that, therefore, the custody also of the Treasury might as well be confided to the Executive care. I think the safer conclusion is directly opposite. The possession of so much power over the national treasure is just cause of regret, and furnishes a strong reason for diminishing it, if possible, but none for its increase, none for giving the whole power over the purse to the Chief Magistrate.

Hitherto I have considered this scheme of sub-treasuries as if it was only what its friends represent it—a system solely for the purpose of collecting, keeping, and disbursing the public money, in specie exclusively, without any bank agency whatever. But it is manifest that it is destined to become, if it be not designed to be, a vast and ramified connexion of Government banks, of which the principal will be at Washington, and every sub-treasurer will be a branch. The Secretary is authorized to draw on the several sub-treasurers in payment for all the disbursements of Government. No law restricts him as to the amount or form of his drafts or checks. He may throw them into amounts suited to the purposes of circulation, and give them all the appearance and facilities of bank notes. Of all the branches of this system, that at New York will be the most important, since about one-half of the duties is collected there. Drafts on New York are at par, or command a premium from every point of the Union. It is the great money centre of the country. Issued in convenient sums, they will circulate throughout the whole Union as bank notes, and, as long as confidence is reposed in them, will be preferred to the specie which their holders have a right to demand. They will supply a general currency, fill many of the channels of circulation, be a substitute for notes of the Bank of the United States, and supplant, to a great extent, the use of bank notes. The necessities of the people will constrain them to use them. In this way, they will remain a long time in circulation; and in a few years we shall see an immense portion of the whole specie of the country concentrated in the hands of the branch bank—that is, the sub-treasurer, at New York, and represented by an equal amount of Government paper dispersed throughout the country. The responsibility of the sub-treasurer will be consequently greatly increased, and the Government will remain bound to guaranty the redemption of all the drafts, checks, or notes (whatever may be their denomination) emitted upon the faith of the money in his custody, and, of course, will be subject to the hazard of the loss of the amount of specie in the hands of the sub-treasurer. If, in the commencement of this system, the holders of this Government paper shall be required to present it for payment in coin, within a specified time, it will be found inconvenient or impracticable to enforce the restriction, and it will be ultimately abandoned.

Is the Senate prepared to consent to place not only all the specie that may be collected for the revenue of the country, at the will of the President, or, which is the same

thing, in the custody of persons acting in obedience to his will, but to put him at the head of the most powerful and influential system of Government banks that ever existed?

It is said in the message, that Government is not bound to supply the country with the exchanges which are necessary to the transaction of its business. But was that the language held during the progress of the contest with the late Bank of the United States? Was not the expectation held out to the people that they would be supplied with a better currency, and with better regulated exchange? And did not both the late President and the Secretary of the Treasury dwell, with particular satisfaction, in several messages and reports, upon the improvement of the currency, the greater amount in exchange, and the reduction of the rates, under the operation of the State-bank system, than existed under the Bank of the United States? Instead of fulfilling the promises then held out, the Government now wraps itself up in its dignity—tells the people that they expect too much of it; that it is not its business to furnish exchanges; and that they may look to Europe for the manner in which, through the agency of private bankers, the commerce and business of its countries are supplied with exchange. We are advised to give up our American mode of transacting business, through the instrumentality of banking corporations, in which the interests of the rich and the poor are happily blended, and to establish bankers similar to the Hopes, the Barings, the Rothschilds, the Hotinguers, of Europe; houses which require years or ages to form and put in successful operation, and whose vast overgrown capitals, possessed by the rich exclusively of the poor, control the destiny of nations and determine the fate of empires!

Having, I think, Mr. President, shown that the project of the administration is neither desirable, nor practicable, nor within the constitutional power of the General Government, nor just; and that it is contrary to the habits of the people of the United States, and is dangerous to their liberties, I might here close my remarks; but I conceive it to be the duty of a patriotic opposition not to confine itself merely to urging objections against measures to promote the general prosperity, brought forward by those in power. It has further and higher duties to perform. There may be circumstances in which the opposition is bound formally to prevent such measures as, in its judgment, are demanded by the exigency of the times; but if it has just reason to believe that they would be unacceptable to those who alone can adopt them, and give them effect, the opposition will discharge its duty by suggesting what it believes ought to be done for the public good.

I know, sir, that I have friends whose partiality has induced them to hope that I would be able to bring forward some healing measure for the disorders which unhappily prevail, that might prove acceptable. I wish to God that I could realize this hope; but I cannot. The disease is of such an alarming character as to require more skill than I possess; and I regret to be compelled to fear that there is no effectual remedy but that which is in the hands of the suffering patient himself.

Still, under a deep sense of the obligation to which I have referred, I declare that, after the most deliberate and anxious consideration of which I am capable, I can conceive of no adequate remedy which does not comprehend a national bank as an essential part. It appears to me that a national bank, with such modifications as experience has pointed out, and particularly such as would limit its profits, exclude foreign influence in the government of it, and give publicity to its transactions, is the only safe and certain remedy that can be adopted. The great want of the country is a general and uniform currency, and a point of union, a sentinel, a regulator of the issues of the local banks; and that would be supplied by such an institution.

I am not going now to discuss, as an original question, the constitutional power of Congress to establish a national bank. In human affairs there are some questions, and I think this is one, that ought to be held as terminated. From several decisions of Congress affirming the power, the concurrence of every other department of the Government, the approbation of the people, the concurrence of both the great parties into which the country has been divided, and forty years of prosperous experience with such a bank, appear to me to settle the controversy, if any controversy is ever to be settled. Twenty-two years ago Mr. Madison, whose opposition to the first Bank of the United States is well known, in a message to Congress, said:

"Waiving the question of the constitutional authority of the Legislature to establish an incorporated bank, as being precluded, in my judgment, by repeated recognitions, under varied circumstances, of the validity of such an institution, in acts of the legislative, executive, and judicial branches of the Government, accompanied by indications, in different modes, of a correspondence of the general will of the nation; the proposed bank does not appear to be calculated to answer the purposes of reviving the public credit, of providing a national medium of circulation, and of aiding the Treasury by facilitating the indispensable anticipations of revenue, and by affording to the public more durable loans."

To all the considerations upon which he then relied, in treating it as a settled question, are now to be added two distinct and distant subsequent expressions of the deliberate opinion of a republican Congress, two solemn decisions of the Supreme Court of the United States, twenty years of successful experience, and disastrous consequences quickly following the discontinuance of the bank.

I have been present as a member of Congress, on the occasion of the termination of the charters of both the Banks of the United States; took part in the discussion to which they gave rise, and had an opportunity of extensively knowing the opinions of members; and I declare my deliberate conviction that, upon neither was there one-third of the members in either House who entertained the opinion that Congress did not possess the constitutional power to charter a bank.

But it is contended that, however indispensable a bank of the United States may be to the restoration of the prosperity of the country, the President's opinion against it opposes an insuperable obstacle to the establishment of such an institution. It will indeed be unfortunate if the only measure which can bring relief to the people should be prevented by the Magistrate, whose elevated station should render him the most anxious man in the nation to redress existing grievances.

The opinion of the President which is relied upon is that contained in his celebrated letter to the Hon. S. Williams, and that which is expressed in the message before us. I must say, with all proper deference, that no man, prior to or after his election to the Chief Magistracy, has a right to say, in advance, that he would not approve of a particular bill, if it were passed by Congress. An annunciation of such a purpose is premature, and contrary to the spirit, if not the express provision of the constitution. According to that instrument, the participation of the President in the legislative power—his right to pass upon a bill—is subsequent and not previous to the deliberations of Congress. The constitutional provision is that, when a bill shall have passed both Houses, it shall be presented to the President for his approval or rejection. His right to pass upon it results from the presentation of the bill, and is not acquired until it is presented. What would be thought of the judge who, before a cause is brought before the court, should announce his intention to decide in favor of a named party? Or of the Senate, which shares the appointing power, if it should, before a nomination of a particular individual is

made for an office, pass a resolution that it would not approve the nomination of that individual?

It is clear that the President places his repugnance to a Bank of the United States mainly upon the ground that the popular will has been twice "solemnly and unequivocally expressed" against it. In this I think the President is mistaken. The two occasions to which he is understood to refer, are the election of General Andrew Jackson in 1832, and in his own election in 1836. Now, as to the first, there was not, before it took place, any unequivocal expression of the opinion of the late President against a national Bank. There was, in fact, a contrary expression. In the veto message, President Jackson admitted the public convenience of a bank; stated that he did not find in the renewed charter such modifications as could secure his approbation, and added that, if he had been applied to, he could have furnished the model of a bank that would answer the purpose of such an institution. In supporting his re-election, therefore, the people did not intend, by the exercise of their suffrage, to deprive themselves of a national bank. On the contrary, it is within my own knowledge, that many voted for him who believed in the necessity of a bank quite as much as I do. And I am perfectly persuaded that thousands and tens of thousands sustained his re-election under the full expectation that a national bank would be established during his second term.

Nor, sir, can I think that the election of the present Chief Magistrate ought to be taken as evidence that the people are against a bank. The most that fairly can be asserted is, that he was elected, the expression of his opinion in the letter to Mr. Williams notwithstanding. The question of the election of a Chief Magistrate is a complex question, and one of compensations and comparison. All his opinions, all his qualifications are taken into consideration, and compared with those of his competitors. And nothing more is decided by the people than that the person elected is preferred amongst the several candidates. They take him as a man takes his wife, for better for worse, with all the good and bad opinions and qualities which he possesses. You might as well argue that the election of a particular person to the office of Chief Magistrate implies that his figure, form, and appearance, exhibit the standard of human perfection, as to contend that it sanctions and approves every opinion which he may have publicly expressed on public affairs. It is somewhat ungrateful to the people to suppose that the particular opinion of Mr. Van Buren, in regard to a bank of the United States, constituted any, much less the chief recommendation of him to their suffrages. It would be more honorable to him and to them to suppose that it proceeded from his eminent abilities, and his distinguished services at home and abroad. If we are to look beyond them and beyond him, many believe that the most influential cause of his election was the endorsement of that illustrious predecessor, in whose footsteps he stands pledged to follow.

No, sir, no; the simple and naked question of a bank or no bank of the United States was not submitted to the people and "twice solemnly and unequivocally" decided against by them. I firmly believe that if such a question were now submitted to them, the response of a vast majority would be in the affirmative. I hope, however, that no bank will be established or proposed, unless there shall be a clear and undisputed majority of the people, and of the States in favor of such an institution. If there be one wanted, and an unequivocal manifestation be made of the popular will that it is desired, a bank will be established. The President's opposition to it is founded principally upon the presumed opposition of the people. Let them demonstrate that he is mistaken, and he will not separate himself from them. He is too good a democrat, and the tenor of his whole life shows that, whatever other divorces he may recommend, the last that he would desire would be one between him and the people. Should this not prove to be the case, and if a majority should not exist sufficiently large to pass a bank charter in spite of the veto, the ultimate remedy will remain to the people to change their rulers, if their rulers will not change their opinions.

But, during this debate, it has been contended that the establishment of a new bank of the United States would aggravate existing distresses; and that the specie necesary to put it in operation could not be obtained without prejudice to the local banks.

What is the relief for which all hearts are now so anxiously throbbing? It is to put the banks again in motion; to restore exchanges, and revive the drooping business of the country. And what are the obstacles? They are, first, the foreign debt; and, secondly, a want of confidence. If the banks were to reopen their vaults, it is apprehended that the specie would immediately be exported to Europe to discharge the foreige debt. Now, if a bank of the United States were established, with a suitable capital, the stock of that bank itself would form one of the best subjects of remittance; and an amount of it equal to what remains of the foreign debt would probably be remitted, retaining at home or drawing from abroad the equivalent in specie.

A great, if not the greatest, existing evil is the want of confidence, not merely in the Government, but in distant banks, and between the banks themselves. There is no tie or connexion binding them together, and they are often suspicious of each other. To this want of confidence among the banks themselves is to be ascribed that extraordinary derangement in the exchanges of the country. How otherwise can we account for the fact that the paper of the banks of Mississippi cannot now be exchanged against the paper of the banks of Louisiana without a discount in the former of 10 or 15 per cent.; nor that of the banks of Nashville, without a discount of 8 or 10 per cent. against the paper of the banks of the adjoining State of Kentucky? It is manifest that, whatever may be the medium of circulation, whether it be inconvertible paper, or convertible paper and specie, supposing confidence to exist, the rates of exchange in both cases ought to be nearly the same. But, in times like these, no bank will allow its funds to accumulate, by the operations of exchange, at points where no present use can be made of them.

Now, if a bank of the United States were established, with a proper capital, and it were made the sole depository of the public moneys, and its notes were receivable in all Government dues, it might commence operations forthwith, with a small amount of specie, perhaps not more than two millions. That sum would probably be drawn from the community, where it is now hoarded and dormant; or if it were taken even from the local banks, they would be more than compensated in the security which they would enjoy, by the remittance of the stock of the new bank to Europe, as a substitute for their specie.

Such a new bank, once commencing business, would form a rallying point; confidence would revive, exchanges be again regulated, and the business and prosperity of the country be speedily restored. And it is by no means certain that there would be any actual augmentation of the banking capital of the country, for it is highly probable that the aggregate amount of unsound banks, which can never resume specie payments, would be quite equal to that of the new bank.

An auxiliary resolution might be adopted with salutary effect, similar to that which was adopted in 1816, offering to the State banks, as a motive to resume specie payments, that their paper should be received for the public dues; or, as their number has since that period greatly increased, to make the motive more operative, the offer might be confined to one or two banks in each State known to be trustworthy. Let them and a bank of the United States commence specie payments, and all the other sound banks

would be constrained, by the united force of public opinion and the law, to follow the example.

If, in contrasting the two periods of 1817 and 1837, some advantages for the resumption of specie payments existed at the former epoch, others which distinguish the present greatly preponderate. At the first there were none, except the existence of a public debt and a smaller number of banks. But then an exhausting war had wasted our means. Now we have infinitely greater wealth, our resources are vastly more developed and increased, our population nearly doubled, our knowledge of the disease much better, and, what is of the utmost importance, a remedy, if applied now, would be administered in a much earlier stage of the disorder.

A general currency of sound and uniform value is necessary to the well-being of all parts of the confederacy, but it is indispensable to the interior States. The seaboard States have each of them banks, whose paper freely circulates within their respective limits, and serves all the purposes of their business and commerce at their capitals, and throughout their whole extent. The variations, in the value of this paper, in passing through those States, from one commercial metropolis to another, are not ordinarily very great. But how are we of the interior to come to the Atlantic cities to purchase our supplies of foreign and domestic commodities without a general medium? The paper of our own banks will not be received but at a ruinous discount. We want a general currency, which will serve at home, and enable us to carry on our accustomed trade with our brethren of the Atlantic States. And such a currency we have a right to expect.

I do not arrogate to myself a right to speak for and in behalf of all the Western States; but as a Senator from one of them, I am entitled to be heard. This Union was formed to secure certain general, but highly important, objects, of which the common defence, commerce, and a uniform currency were leading ones. To the interior States none is of more importance than that of currency. Nowhere is the attachment to the Union more ardent than in those States; but if this Government should neglect to perform its duty, the value of the Union will become impaired, and its very existence in process of time may become endangered. I do believe that between a sound general currency, and the preservation of the Union itself, in full vigor and perfect safety, there is the most intimate connexion.

If, Mr. President, the remedies which I have suggested were successful at a former period of our history, there is every reason to hope that they would again prove efficacious; but let me suppose that they should not, and that some unknown cause, which could not then, should now, thwart their operation, we should have, in any event, the consolation of knowing that we had endeavored to profit by the lessons of experience, and, if they failed, we should stand acquitted in the judgment of the people. They are heartily tired of visionary schemes and wild experiments. They wish to get out of the woods, into which they have been conducted, back to the plain, beaten, wide road, which they had before trodden.

How and when, without such measures as I have suggested, are the State banks to resume specie payments? They never can resume without concert; and concert springs from confidence; and confidence from knowledge. But what knowledge can eight hundred banks, scattered over our vast territory, have of the actual condition of each other? It is in vain that statements of it be periodically published. It depends, at last, mainly upon the solvency of the debtors to the bank; and how, whenever their names are not known, can that be ascertained?

Instead of coming to the aid of these prostrate institutions, and assisting them by a mild and parental exercise of your power, in a mode sanctioned and appooved by experience, you propose to abandon them and the country to their fate. You propose worse: to discredit their paper, to distrust them even as special depositories, and to denounce against them all the pains and penalties of bankruptcy.

How and when will they resume specie payments? Never, as far as my information extends, have exertions been greater than those which the banks have generally made to open again their vaults. It is wonderful that the community should have been able to bear, with so much composure and resignation, the prodigious curtailments which have been made. Confidence re-established, the foreign debt extinguished, and a national institution created, most of them could quickly resume specie payments. Some of them, urged by a high sense of probity, and smarting under severe reproaches, will no doubt make the experiment of resuming and continuing payment in specie. They may even go on a while; but without the co-operation of the State banks generally, and without the co-operation of a national bank, it is to be apprehended that they will be again seized with a paralysis. It is my deliberate conviction that the preservation of the existence of the State banks themselves depends upon the institution of a national bank. It is as necessary to them as the Union is to the welfare of the States in our political system. Without it, no human being can foresee when we shall emerge from the difficulties which surround us. It has been my fortuue several times to see the country involved in great danger; but never before have I beheld it encompassed with any more menacing and portentous.

Entertaining the views which I have presented, it may be asked why I do no not at once propose the establishment of a national bank. I have already adverted to the cause. Constituted as Congress now is, I know that such a proposition would be defeated; and that it would be therefore useless to make it. I do not desire to force upon the Senate, or upon the country against its will, if I could, my opinion, however sincerely and strongly entertained. If a national bank be established, its stability and its utility will depend upon the general conviction which is felt of its necessity. And until such a conviction is deeply impressed upon the people, and clearly manifested by them, it would, in my judgment, be unwise even to propose a bank.

Of the scheme of the Senator from Virginia [Mr. RIVES] I think now as I thought in 1834. I do not believe that any practicable connexion of State banks can supply a general currency, be a safe depository of the public moneys, or act efficiently as a fiscal agent of the General Government. I was not then opposed to the State banks in their proper sphere. I thought that they could not be relied upon to form exclusively a banking system for the country, although they were essential parts of a general system.

The amendment of the Senator, considered as a measure to bring about the resumption of specie payments, so much desired, I think must fail. The motive which it holds out of the receivability in all payments to the Government, of the paper of such banks as may resume by a given day, coupled with the conditions proposed, is wholly inadequate. It is an offer to eight hundred banks; and the revenue payment of which in their notes is held out as the inducement, amounts to some twenty, or twenty-five millions. To entitle them to the inconsiderable extension of their circulation, which would result from the credit given by Government to the paper of all of them, they are required to submit to a suppression of all notes below five dollars, and at no very distant period to all below twenty. The enlargement of their circulation, produced by making it receivable by Government, would be much less than the contraction which would arise from the suppression of the prohibited notes. Besides, if the quality proposed again to be attached to the notes of these local banks was insufficient

to prevent the suspension, how can it be efficacious enough to stimulate a resumption of specie payments?

I shall, nevertheless, if called upon to give a vote between the project of the administration and the amendment of the Senator from Virginia, vote for the latter, because it is harmless, if it effects no good, and looks to the preservation of the State banks; whilst the other is fraught with mischiefs, as I believe, and tends, if it be not designed, to the utter destruction of those institutions. But, preferring to either the postponement moved by the Senator from Georgia, I shall, in the first instance, vote for that.

Such, Mr. President, are the views which I entertain on the present state of our public affairs. It is with the deepest regret that I can perceive no remedy, but such as is in the hands of the people themselves. Whenever they shall impress upon Congress a conviction of that which they wish applied, they will obtain it, and not before. In the mean time, let us go home and mix with and consult our constituents. And do not, I entreat you, let us carry with us the burning reproach, that our measures here display a selfish solicitude for the Government itself, but a cold and heartless insensibility to the sufferings of a bleeding people.

When Mr. CLAY had concluded his remarks,

The question was taken on Mr. KING's motion to postpone the bill until December next, and decided in the negative, as follows:

YEAS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Kent, King of Georgia, Knight, McKean, Nicholas, Prentiss, Robbins, Ruggles, Smith of Indiana, Spence, Tipton, Webster, White, Williams—19.

NAYS—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Linn, Lyon, Morris, Niles, Norvell, Pierce, Preston, Rives, Roane, Robinson, Smith of Connecticut, Strange, Tallmadge, Walker, Wall, Wright Young—27.

On motion of Mr. WRIGHT, the action on the sub-Treasury bill was informally suspended till to-morrow, by unanimous consent, and the two following bills were successively taken up and ordered to be engrossed for a third reading, viz:

The bill to remit the duties on certain goods destroyed by the great fire in New York; and

The bill making further provision for the suppression of Indian hostilities for 1837.

Mr. WRIGHT further stated, that though he was anxious for the bill authorizing the deposite of merchandise in public stores to be acted on without delay, yet, as the Senator from South Carolina [Mr. CALHOUN] had expressed a wish for its further postponement, unless the Senate wished otherwise, he should pass it by at present, and call it up in a few days.

The Senate then, on motion of Mr. GRUNDY, went into the consideration of Executive business, and afterwards adjourned.

TUESDAY, SEPTEMBER 26.

ADJOURNMENT OF CONGRESS.

The joint resolution proposing to close the present session of Congress on the 9th of October, was taken up and agreed to.

It was also ordered that the daily meeting of the Senate shall hereafter be at 10 o'clock, till otherwise ordered.

A NATIONAL BANK.

The Senate, on motion of Mr. WRIGHT, proceeded to the consideration of the following resolution, reported by the Committee on Finance, on petitions from New Orleans, St. Louis, and other quarters, for a United States bank:

"*Resolved*, That the prayer of the petitioners ought not to be granted.

Mr. CLAY, of Kentucky, said he did not see much utility in acting on a negative resolution of this kind. He recollected but one example of a similar resolution, and that was during the session of Congress when the declaration of the late war was made against Great Britain. The resolution was offered by that most extraordinary man, now no more, Mr. Randolph, of Virginia. Learning that the message of Mr. Madison to Congress would recommend a declaration of war, he rose in his place, two or three days before it was presented, and offered a resolution similar to this, that it was inexpedient to declare war against Great Britain. It was, however, got rid of, in some way or other, without a vote upon it.

Mr. C. did not think, as he had declared yesterday, that it was expedient to express any opinion on this subject at this time; and he would submit it to gentlemen whether it were not better that it should lie on the table. He thought there would be no difference of opinion as the resolution now stood under present circumstances. Mr. C. thought they had better not now establish a bank of the United States, much as it appeared to be necessary to relieve the country. But, if it was not to be laid on the table, Mr. C. moved to amend it by the following substitute:

Resolved, That it will be expedient to establish a United States bank whenever it shall be manifested that a clear majority of the people of the United States are in favor of such an institution.

On this he called for the yeas and nays; which were ordered.

Mr. WRIGHT stated that the committee had proceeded in the customary mode with the memorials referred to them on this subject, and had reported the opinion of the majority in the usual manner, leaving their report to the judgment of the Senate.

Mr. CLAY said he did not mean to throw any reflection on the committee. But his objection was against making a decision, contrary to usage, on the proposition reported by the committee, and for no principal purpose except one, and that was, that by the character of the vote the people might see what little chance there was of getting a United States bank. It was contrary to usage to press such a question in the negative, unless it was intended to turn it into an affirmative, an intention which, at this time, did not exist. But, if this should be pressed, Mr. C. trusted he would get the sense of the Senate on a resolution which he should offer.

Mr. WEBSTER said, in some points of view, this might be considered as connected with other discussions; and he had no objection to its being disposed of without discussion. But that was not to be expected, and the discussion would interfere with other measures. He moved to postpone it till Monday next.

Mr. PRESTON said he should be glad if the Senator would extend his postponement to a later period than Monday next, as the action upon it would depend much on the proceedings of Congress on the propositions which had already been submitted. If Congress should continue in session, it might be inexpedient to foreclose themselves on this measure; or it might possibly occur that an administration majority of the Senate would yet prefer a United States bank. Two propositions had been made before, and a third was suggested by a gentleman who spoke yesterday; and it was now proposed to cut off one of the means of relief which had been suggested from an eminent quarter on that floor.

Mr. P. would not say that a United States bank was inexpedient till he knew what would be more expedient. In two weeks such developments might be made as would induce him to go for a United States bank; for whatever were his feelings towards such a bank, he was not disposed

to carry his hostility towards it so far as to destroy the country, and see it sacrificed on account of a bank. As he yet saw no positive in his course, he would have no negative. He would judge of all projects on their merits; and if he should now judge between the measure of the committee and a United States bank, he would find it difficult to make up his mind which to select. A United States bank might be dangerous; but he doubted whether it would be more dangerous than to divide the Government from the States and the people. But pressing either question at this time was premature. A bank of the United States was a forlorn hope; and it might be that they would be glad to shadow themselves under this impending mass, to escape a worse alternative. Mr. P. would suggest, therefore, that this subject should be deferred till they could see what would be the action of the two Houses on the measures already before them. Mr. P. desired light, that he might know where they were going, what they were doing, and at what they would arrive. He would cut off no hope in this dangerous navigation. It was known that many regarded a bank as the only remedy; it was so among Mr. P.'s own constituents; and he was not willing to cut them off from their favorite and only measure without discussion. Let this be put off for a time; and if Congress should adopt nothing proper for the emergency, this matter would come up, and would obtain a deliberate and dispassionate discussion.

Mr. WEBSTER said he did not wish to deprive the Senate of voting on this question. If it should now be postponed till Monday, and it then appeared expedient to postpone it further, it might then be done.

Mr. MORRIS called for the yeas and nays on the question of postponement; which were ordered, and the question of postponement till Monday next was decided in the negative, as follows:

YEAS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Davis, Kent, Knight, McKean, Prentiss, Preston, Robbins, Smith of Indiana, Swift, Webster—15.

NAYS—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, King of Georgia, Linn, Lyon, Morris, Nicholas, Niles, Norvell, Pierce, Rives, Roane, Robinson, Ruggles, Smith of Connecticut, Strange, Tallmadge, Tipton, Walker, Wall, White Williams, Wright, Young—30.

Mr. TALLMADGE moved a substitute to Mr. CLAY's substitute, as follows:

Resolved, That, in the opinion of this Senate, a clear majority of the people of the United States are opposed to the establishment of a national bank, and it is therefore inexpedient to grant the prayer of the petitioners.

On this Mr. BENTON called for the yeas and nays; which were ordered, and this substitute was carried, as follows:

YEAS—Messrs. Allen, Benton, Brown, Buchanan, Clay of Alabama, Fulton, Grundy, Hubbard, Linn, Lyon, McKean, Morris, Nicholas, Niles, Norvell, Pierce, Rives, Roane, Robinson, Ruggles, Smith of Connecticut, Strange, Tallmadge, Walker, Wall, White, Williams, Wright, Young—29.

NAYS—Messrs. Bayard, Clay of Kentucky, Clayton, Crittenden, Davis, Knight, Prentiss, Preston, Robbins, Smith of Indiana, Spence, Swift, Tipton, Webster—14.

To the original resolution, thus amended, Mr. CLAY offered the following substitute; substantially the same as the one he offered before:

Resolved, That whenever it is manifested that a clear majority of the people of the United States are in favor of a national bank, it ought to be established.

Mr. C. called for the yeas and nays on this substitute; which were ordered.

Mr. CALHOUN was understood to say that the committee had reported their resolution in the usual form, and had supposed that every Senator there would be prepared to vote upon it. Mr. C. was prepared to vote upon it at any time; but he would willingly, if unprepared, express what his opinions of a United States bank were. He was here to do his duty; and even if a majority of the people thought otherwise, he would act on his own convictions. He thought it due to the people of the United States that the sentiments of the Senate and House of Representatives should be known, and they would then know better how to make a selection.

Mr. PRESTON said he did not think proper to vote for either of the two substitutes. He did not know the views of the people on this subject; and if he was opposed to a bank, and two-thirds of the people were against him, he would not surrender his convictions of what was right. He was averse to this mode of proceeding. Here was a parliamentary trap, so situated that gentlemen's sentiments could not be expressed on the report. Mr. P. understood it. He was brought up in such a way that if he should vote against this resolution of the committee he would be declared to be in favor of a United States bank, a United States bank man, and to be treated accordingly. Such legislation he considered inconsistent with the gravity of the Senate. If any gentleman were not now in favor of a bank, in ten days he might not withstanding be for it, driven against it, as was the case in regard to the late bank, by the circumstances of the times. Mr. P. was not in favor of a United States bank; but should he, therefore, show the people that he took a United States bank to be worse than any thing that could be done? He could not do this; he could not consent that this measure should be strangled, without knowing what the administration would do. Cut off a bank now and they might be driven against it in two weeks thereafter. Mr. P. would cut off from nothing, and if this plank was floating about them, let it float; it might be wanted hereafter.

It had been said that every gentleman might be supposed to have made up his mind on this important matter already. But where there were alternative propositions, Mr. P. was not prepared to say gentlemen had made up their minds before they were discussed. And if gentlemen had made up their minds, why push any subject farther in debate; why discuss the sub-Treasury system, if every gentleman's mind was made up? Mr. P. did not wish for delay more than others; but when he, as well as others, felt most anxious for the country, were they not to be indulged in debate?

Mr. P. knew that the majority of the Senate would be in favor of the measures of the President's message; they would follow their monitor and record his edicts. This he would not do. If he could do no better, he would sustain his propositions; and if he should come to the conviction that the President had done well and wisely; that he had foreseen coming evils and devised a remedy; that in the chair in which he was seated he had been willing to use his own hands to strip himself of undue power, to cut down his too extensive patronage, to divest himself of the terrors of the dangerous means which he possessed, Mr. P. would then come forward and acknowledge that he had mistaken his character, and would say, you have done well and I am of you; I renounce my opposition, and will adhere to you. If these measures which he had suggested were the sense and would promote the benefit of the nation, no man deserved better of his country. He came into power with the party and strength of the most powerful President, surrounded by that party. But he had done the very opposite of cutting down his power. If he had done this, Mr. P. would have bowed with gratitude before him, told him to march on in the path which he had entered, and would have sustained him in it.

Mr. P. felt that, willing as he would be to support the

administration, if its measures tended to the good of the country; if the present President showed the desire and inclination to abandon the course of usurpation, he could not then be unwilling to support the administration; but until the administration came over to him, (doing that which was right and patriotic,) Mr. P. would not go over to the administration. As he was opposed to the administration of General Jackson, so (unless he abandoned his principles and his consistency) he must remain opposed to an administration which was pledged to fellow in the former's footsteps. As to the immediate question before the Senate, Mr. P. was not willing to pass a resolution of this kind, prejudging the matter, giving, as it were, a certificate to the members of the administration, which they would carry in their hands before the people at the coming elections, and say, "See, Congress is against a national bank; Congress favors our course; it has pronounced its opinion." Thus Mr. P. looked upon the whole affair as a parliamentary trap to catch the Senate unadvisedly into the support of men and principles which he was persuaded the country could not and would not support. If it would be in order, Mr. P. wished to move that the committee be discharged from the further consideration of the prayer of the memorialists.

The CHAIR intimated that the motion was not in order.

Mr. WRIGHT, in explanation, vindicated the course of the committee. He had not proposed the amendment which Mr. PRESTON called a trap.

Mr. W. submitted to the Chair whether the amendment of Mr. CLAY, of Kentucky, was not out of order, being only a reiteration of a former amendment.

The CHAIR [Mr. HUBBARD] decided the amendment of Mr. CLAY not to be inconsistent with any former amendment.

Mr. CLAY, of Kentucky, said that the only ground which the President assumed in his proclamation for his opposition against the bank, was the ground that the people were against a bank. There was no doubt the President would go for a bank if the wishes of the people were decidedly expressed in favor of a bank. Mr. C. thought this resolution ought not to have been brought forward in the manner it had been to obtain an opinion from the Senate. It was not the usual course.

Mr. WRIGHT explained the history of the resolution; it would have been brought forward before this day, but that the floor was occupied by some Senator. This was the only reason why it had been passed by until this morning.

Mr. CLAY said his amendment had been rendered absolutely necessary by the course pursued. If the resolution had been suffered to take the usual course, and been left to lie upon the table without inviting any action of the Senate upon it, no Senator would have brought forward any proposition. The resolution, with its amendments, said virtually to the people of the United States, "Whatever your wishes may be, whatever may be your wants, they shall be altogether disregarded." Mr. C. thought a decided majority would be found in favor of a national bank, and therefore his amendment was necessary.

Mr. SMITH, of Connecticut, said that, as he should have to vote on the question, and that his vote might appear to be inconsistent, he felt disposed to assign his reasons for the vote he should give. He was prepared to vote against the resolution of the honorable Senator from Kentucky in the shape in which he first presented it; but had he have done so, it might have been supposed that he was unwilling to be governed by the known voice of the people, and to vote in accordance with their wishes. In the first place, he was of opinion that a bank granted by the Government of the United States would be unconstitutional; and, until he should be understood upon that point, he could never consent to give his vote for a bank in any shape, or under any circumstances. He had been waiting, and had expected, to hear the question of constitutionality of the bank discussed by some of the learned experienced gentlemen on this floor; and, until he was convinced of his error by some argument that he had never yet heard, it was unnecessary for him to take into consideration the subject, or to say any thing upon the question of the expediency of establishing a bank. The proposition of the Senator from Kentucky was, not that we should now act in obedience to the will, and in accordance with what we consider the wishes, of the people on this subject, but that the people should have another opportunity of expressing their sentiments, by leaving the question of bank or no bank untouched for the present, so that, by again agitating and investigating the subject, public sentiment might, at some future period, be moulded into and assume a different shape, and be more favorably inclined to a bank. But his opinion was that that period would never occur, and such an event would never happen, when a majority of the people would be in favor of a United States bank. To adopt the resolution would be, in effect, to undertake to express an opinion as to what this body would do at some future period in reference to a different state of things, instead of adapting our action to the wants of the people at this time. He maintained that it was difficult to act upon the subject as it now stood; that we should act for the present, and not for the future. He had determined to vote against the proposition of the Senator from Kentucky; and, as this might have the appearance of giving a vote against the voice of the people, he was desirous of accompanying his vote with his reasons for it. He had risen for the purpose of giving his opinion frankly; and he would now state that he was wholly and entirely, on constitutional grounds, opposed to a bank of the United States. It was his deliberate opinion, too, that the people did not want a bank. He would, therefore, vote against any proposition which stated that it now was, or would hereafter be, expedient to establish a bank of the United States.

Mr. ROANE said that the moment had most unexpectedly arrived when he found himself constrained to say a few words to the Senate. He was as yet but little acquainted with the rules of that honorable body, nor was he versed in parliamentary law. The subject, as now presented to the Senate, was wrapped in such parliamentary involutions, that perhaps, in the votes he might give, he would be made to assume, in appearance, a position which was not his own. He, therefore, wished to unfold, in the briefest possible manner, his full and entire opinion.

The amendment now before us requires us to declare that a majority of the people of the United States are in favor of a bank of the United States, and that, therefore, we ought to give them one. He, for one, declared that he knew not what were the opinions of the people of the United States on this subject. That body had not, in his opinion, that question, in any manner, before them; and, if they had, had not, as he conceived, the testimony to enable them to pass a solemn judgment on it. He did not himself believe that such is their opinion—very far from it. Whenever there was a large majority of the people of the United States demanding a national bank, he had no doubt but that they would have one, but not with his consent, given here or elsewhere; and this brings me, Mr. President, to declare that, as long as I occupy a seat on this floor, I shall never acknowledge but two criteria by which my votes are to be controlled. The one is the will—the known, ascertained will—of a majority of those who sent me here—my constituents. The other, the dictates of my own conscience. The opinion, then, of the majority—nay, of all the people of the United States, and of all the Senators on this floor—would not control him, as long as his constituents were opposed to a bank. In order that he might not, by possibility, be misunderstood by any of the votes he might give

on the amendments now offered—lest he may fall into some of the "traps" which had been spoken of, if indeed any have been set—he would take occasion to go further, and declare that if, instead of being a member of the Senate of the United States, administering and construing our present constitution, he was a member of a convention of the people of the United States to remodel their present, or form a new, constitution, he would, with manly firmness, resist a bank as composing one of its features. No, sir, never, with my consent, shall a power so potent, either for good or evil, constitute a feature in the republic under which I live.

Mr. President, if there are any parliamentary "traps" set, if there is any unfairness going on, I know nothing of it. What is the state of the case? At a very early period of the present session of Congress, petitions coming from large commercial cities, numerously signed, and from Chambers of Commerce, as they are termed, were presented to the Senate, praying the establishment by Congress of a United States bank. These petitions were referred to the Committee on Finance, who have reported to this their constituent body their opinion that "the prayer of the petitioners ought not to be granted." He had some little experience in legislation, and he must declare that he could not conceive what less the committee could have done, such being their opinion; and that if there was any "trap set," he could not see it in their report. He wished, himself, no amendment to that report; he knew of none that he would agree to, unless it was to insert in it the word "unconstitutional," for he most candidly and emphatically declared it to be his wish to shove away—to put out of sight, and out of hope—that "plank"—that rotten "plank" as he thought it—which it was so much desired should be kept floating about in this chamber. He, for one, was ready and willing boldly to swim his course through the sea of troubles in which we are, and firmly to grasp the solid rock of the constitution.

Mr. CALHOUN thought it due to the people that there should be a distinct expression of the opinion of this body on this subject. The country was in an unsettled state, and to come to some decision was the best relief. He should vote for the original resolution.

Mr. C. then adverted to the remarks of Mr. PRESTON. He had understood his colleague to intimate, that whoever supported one act of the administration supported it in all its acts, and was therefore an administration man. His colleague's inference appeared to him very extraordinary.

Mr. PRESTON said that if he approved of the most prominent and most important measure of the administration, then, though he might differ on some few other points, he certainly should consider himself to be an administration man. If he made the *amende honorable* to Mr. Van Buren, he was not therefore necessarily supposed always to vote for all his measures; if in the main, if in general principles and policy, or in support of his great and primary scheme, he went with him, that was being an administration man. If, on the other hand, (though he might even vote for minor administration measures, when he thought them beneficial,) he was opposed to the great measures, to the general policy and leading principles of the administration, if he opposed his one great plan, that was being an opposition man. He (Mr. P.) was at this moment an opposition man. He was opposed, strongly opposed, to the wild schemes and new experiments of the administration; he was opposed to its great measure of divorcing the Government from the States and the people, and therefore (though, while so opposed, he would yet go with it for any measure of sound policy and real good to the country) he was an opposition man. Those who had placed themselves in the contrary position were unquestionably administration men.

Mr. CALHOUN said he was astonished that his colleague should entertain such an opinion. Mr. C. differed with him on that point. I (said Mr. C.) am not an administration man, nor any other man's man, but I am my own man. I belong to the smallest party in the country. I am simply an honest nullifier. [A laugh.] I go (continued Mr. C.) for my own object, which is sometimes a good deal ahead. My object is to arrest usurpation, and first and chiefly Congressional usurpation against the States; after that, of the President against Congress. I know well (said Mr. C.) my latitude and my longitude: I keep a log-book and a good reckoning. I know the position of parties on all sides, and I am pursuing a course which nothing shall drive me from. I know where the administration party is; its reckoning has run out, and it has only one alternative, namely, to go back to the old republican principles of 1827: the principles of that day were those of the old State rights party of the country. Now (said Mr. C.) I see a great change on both sides; through the disturbing influences of that great man, though he thought him an erroneous man, (General Jackson,) the Jackson party was near destruction, and nothing was left to it but to fall back upon the old State rights ground of 1827. Executive usurpation was now at an end. As to what he had done to obtain a victory over Executive usurpation, he went for that. He had pursued that course to guard against what he foresaw would end in six or seven years. I am (said Mr. C.) against Congressional usurpation more than against Executive; and if so, where am I now situated but in the old republican rank of 1827? As far as they act with me, I go for them; if they do not act with me, I do not go for them. I am not a Van Buren man, nor an anti-Van Buren man, but a plain, honest nullifier.

Mr. PRESTON said he felt himself under the necessity of making a few remarks. As for himself, he was in opposition to the administration. He did not see that the administration was come over to him, and until they come over to me, or I am gone over to them, it is impossible for me to be an administration man. It would indeed give him (Mr. P. said) great pleasure if he could discover that the rulers who had governed, or rather he ought to say who had domineered over us so long, were now exhausted in their misrule, and, from the necessity of their situation, had come back to good old principles. Nothing would give him more happiness than to find that the Jackson party, by the mere infusion of Van Burenism, had been cured at once of all that was wrong in it, and had come back to old principles. But, in spite of his disposition to wish for the best, he must confess that he could not see they had changed; he could not perceive a shadow of turning. So far from any return to good principles, to sound policy, to wise measures—so far from exhibiting any desire to heal the bleeding wounds of our bleeding country, they persevered, unchanged by experience, unmoved by the desolation around, in the prosecution of schemes fatal to the peace and prosperity of the country. They went onward in the experiments of their political alchymy, and, after bursting one set of vessels, they are now getting up another scheme, preparing to make another burst, pressing upon us other experiments, other expedients, equally wild. What! are they changed? Are they not now urging upon the country another experiment, which I profess before God I believe to be more frightful and alarming in the distress and ruin it will spread around, than if a foreign army were to march over the land, and lay waste all before it, from Maine to Louisiana! It is an experiment which it will cost all the property in the country to make! An experiment, which, if we judge by the past, by what has just happened, at the end of three or four years, when the country is down in complete and utter ruin, when the clamor of universal distress will call us together again as we have been called now, then they will again come for-

ward with the same *sang froid* as they do now, and will ask leave to make another experiment, denouncing at the same time in bitter terms the very experiment which a year before they had declared to be the only salvation! Not the high respect and veneration (said Mr. P.) which I entertain for my honorable colleague [Mr. CALHOUN] can induce me to say that I think the Van Buren party is changed—that it is now suddenly and in a moment, without any evidence to prove it—with much evidence to the contrary—that it is now exactly the reverse of what it was before! Are they now wise—by necessity? Are they now virtuous—by necessity? Are they now patriotic—by necessity? Are they not now any longer the spoils party? Are they not still the experimenting, the expunging, the patronage party? Has necessity produced any change in them? Do they relax their measures—do they return to sound experience—have they become wise, or moderate, or patriotic, by necessity?

When, sir, (said Mr. P.,) I think they have changed, then, but not till then, I will act cordially with them; I will unite with them if it be to bless, but not to curse the country. Then, sir, when I see a change, when facts exhibit it, I will make them the *amende honorable*. But, sir, (continued Mr. P.,) I fear, I greatly fear, (for I have, perhaps unfortunately, fallen into a habit of distrust,) I fear, sir, that the period, the end of Executive usurpation, is not arrived. In better times it began, and now, in times such as these, with such fearful evidences, such direful menaces, such alarming symptoms, such threatening propositions before us, I say, is it *now* we are to conclude it is suddenly ended? I see no change, no symptoms of change; they are *non alter, sed idem*. And as to the prospect of change, the suggestion of the administration for this divorce scheme is pregnant with the most frightful dangers of Executive power; it lays the foundation of an impregnable fortress of Executive patronage; it gives us the promise of a terrible hereafter. I do not think (said Mr. P.) the country is going to try it; but if it does, then God grant it may be prosperous!

Mr. P. then proceeded to comment upon the resolution before the Senate, proposing to declare that a bank of the United States is a measure repudiated by the Senate. He was not willing to vote for this proposition, because it would put him in a false attitude before the country. He did not think a bank of the United States expedient at this time, but he was not therefore going to pledge himself that he never would adopt one. On the contrary, of all measures proposed, he would support the best; and if none should be proposed so good as a national bank, then, rather than see the country continue to suffer, he would gladly adopt that as a dernier resort. But he was not going to pledge himself as the Senator from Virginia had done, that in no case, not even if it were the only means to rescue the nation from ruin, that even then he would not adopt it! The administration proposes its divorce scheme, and a hard-money currency; others propose the State banks. If neither of these is adopted, there remains no other remedy but a bank. Mr. P. was not inclined to go for a bank now, but he could not tell what might become of us! I think (said Mr. P.) if the hard-money and divorce plan is adopted, then, after passing through a course of unheard-of ruin, we shall be driven by the curses of our constituents from the career of fantastical experiments—we shall be driven to adopt a bank! Though a national bank were a thousand times blacker than its opponents have painted it, we shall feel at last that nothing can be blacker than what we have gone through; and the country will fly to escape from agitation and alarm, from attacks upon the property of the people—the country will fly, and it ought to fly, to a measure which will give it rest. The hard-money scheme will eventually bring forth the United States Bank, through a travail of unheard-of agony. I am not now inclined to vote for the United States Bank, but I do confess I have an inclination that way on account of the envenomed war which has been carried on against it—carried on with the extreme of personal animosity. I think I know the spirit of my countrymen, and that they would be inclined to lift up the oppressed, and favor those who had been trampled under foot; that they would be more disposed to wage war against those who had carried on this bitter warfare, than continue to persecute the fallen, I might say, for righteousness' sake.

Mr. P. said he regarded the introduction of this question concerning the bank as a torch thrown into the discussion, the object of which was to turn off the Senate from the able discussion of the measures of the administration, to rouse the country by the use of a catch-word, and to present a false issue. He, however, wished to see the discussion of the subjects before the Senate proceed in a dispassionate manner; he did not wish the tocsin of bank war again to be sounded; he disavowed the issue now attempted to be rased. He would not pledge himself never to vote for a national bank under any circumstances. There might arise circumstances when no other alternative would be left, as was the case formerly with Mr. Madison, and with the whole republican party. He therefore wished the resolution to be treated with a negation which would have no influencing effect upon the people; whereas an affirmative declaration, such as it were now attempted to pass, was, as he thought, a Parliamentary trap for the Senate, intended to prejudge the case before the people. It was not usual (Mr. P. further remarked) to call up negative propositions, to be discarded, and, when they were positive negations, they were not necessary. This was not going to produce any effect with the people. If they could agree on any proposition, things would be in a better condition, for they would at least be in a course of experiment. But there would be difficulties in the way. If the hard-money and divorce scheme should be carried, the Secretary of the Treasury would carry it into effect. But if the State bank system should be laid at the door of the Executive, Mr. P. doubted the nurture which it would receive, and nursing it would need. Mr. P. saw a great many practical difficulties. Each party, he thought, would consent that his measure should not be adopted, if that of his adversary might fail first. In these dangerous times they could not be carried into effect; they would want that motherly feeling, which would help them to go before leaving them to themselves.

Mr. ALLEN said he did not rise for the purpose of participating in the discussion which had occurred most unexpectedly. He understood the question before the Senate was on the adoption or rejection of the amendment offered by the Senator from Kentucky. He would not interpose between the two Senators from South Carolina, or in any manner increase the conflict of their conflicting opinions. He should vote against the amendment, because, in his opinion, it involved a bare abstraction, and, as such, was not proper in its nature to be acted upon, nor did it deserve existence in that body. It was revolutionary of the constitution of the Government. It proposed that the Senate of the United States should declare that, in their opinion, without regard to the administration, a majority of the people of this Union were to pass laws for the Government. It was to annihilate that body itself, into which the States threw a majority, in distinction from the people. He would not vote for a resolution of a revolutionary character, to annul and annihilate the body that established it. What was the object of the constitution? It was to have the sovereign States represented by the Senate. And yet this body, created to defend the rights of the States as sovereigns, was, by the proposition of the Senator, to raise the hand of a suicide to its own throat.

But, again, what was the proposition as to matter of

fact? It was vague and indefinite. It was, that whenever a majority of the people of the United States should be in favor of a United States bank, it ought to be chartered by Congress. But what kind of a bank? One within this District, over which Congress had exclusive jurisdiction? Or, like the former bank, with power to create branches in the States? Which did the Senator mean? If the latter, with what propriety could he call on Mr. A., a Senator from Ohio, to say, regardless of the whole people of that State, that he was in favor of a bank, and ready to intrude it into that State, from which they had struggled so hard to expel it.

But what was the force of this resolution? It was a direct invitation to the bank to enter the political canvass for the next four years; to combine and confederate for the purpose of extorting a charter. The late bank, in defiance of the known will of the people of Ohio, and in contempt of her constitutional rights, maintained a branch in that State, and laughed at her sovereignty.

And was Mr. A. to go in favor of a bank, it might be such a bank as that; and was he to be called on to support it on that floor? To vote that it ought to be chartered, because a majority of the people of the Union were in favor of it, when perhaps every man in Ohio might be against it? He would not do it. The resolution was a nullification of the States of the Union, as organized by the constitution of the Government. There might be a large majority of the people of the Union in favor of a bank, while the majority of the States were opposed to it. If the people were to decide, and not the States, let Ohio have her relative strength. The effect of the resolution, and of offering it, was to bring the bank into the political field, for the purpose of restoring this defunct institution. And why? Because the people once expelled it, they would now call it up to regulate the revenue, and to show that Mr. Biddle's bank was unjustly expelled. If the people had erred in its expulsion, might they not err in its revival? In the opinion of some, the people always erred, because they acted against it; and now they had erred because they had once expelled it.

Mr. TALLMADGE said he had voted against postponing the subject, because he thought, if postponed, it would not be discussed. But after the vote on the resolution, that the sense of the majority of the people of this Union was opposed to a bank, ought it not to be granted to be a sufficient indication of the sense of the Senate? He therefore moved to lay the whole on the table.

On the call of Mr. KING of Alabama, the yeas and nays were ordered on this motion; and it was decided in the negative, as follows:

YEAS—Messrs. Bayard, Clay of Kentucky, Clayton, Crittenden, Davis, Fulton, Kent, King of Georgia, Knight, McKean, Nicholas, Prentiss, Preston, Robbins, Ruggles, Smith of Indiana, Spence, Swift, Tallmadge, Webster—20.

NAYS—Messrs. Allen, Benton, Black, Brown, Buchanan, Calhoun, Clay of Alabama, Grundy, King of Alabama, Linn, Lyon, Morris, Niles, Norvell, Pierce, Rives, Roane. Robinson, Smith of Connecticut, Strange, Walker, Wall, White, Williams, Wright, Young—26.

Mr. RIVES said that if the amendment of the Senator from Kentucky should be rejected, then he would feel himself bound to vote against that of the Senator from New York, and for the reasons which had been so stated by the gentleman from Ohio. The terms of the amendment were objectionable, in his opinion, because they seem to overlook a fundamental principle in the organic law of the Union. The relation which the States bore in our system, had been so strongly and ably argued and shown, that he would not say one additional word on the subject. Even if the gentleman from Kentucky were disposed to modify his amendment, so as to read, "that whenever a clear majority of the people and the States should manifest a desire for the establishment of a bank of the United States, then a bank of the United States shall be established," then he should be opposed to it as an abstract proposition. We came not here to speculate upon what would be proper to do as to the future, but we came to devise and to adopt such measures as might, in our judgment, meet the existing exigencies of the country. We were responsible for our acts, and we must not do any thing of an equivocal character. And, he would say further, that this proposition was not merely abstractory, but was nugatory. To say that whenever a majority of the people of the States deem it expedient a bank of the United States ought to be established, was wholly needless, because then, so far as the legislative department of the Government was concerned, it would be established. But, in our Senatorial capacity, we had nothing to do with the collective opinions of the people of the United States. Every member was to look to his particular constituents; he was not to look to the aggregate majority.

He maintained that gentlemen on the other side were bound to meet the issue of a bank of the United States. The memorials on the subject of a bank had been presented here, and we were bound to discharge our duty and answer them. He would say that it was proper that we should act upon them. It was incumbent upon us to dispose of them.

The honorable Senator from Kentucky had argued that a bank of the United States was the only remedy for the present distress which pervaded the community. That, he (Mr. R.) believed, was not the opinion entertained by a majority of the Senate, nor of the other branch of Congress, nor of the States, nor the people. Then how important it was, this being the state of things, that the sense of the Legislature should be expressed in regard to every remedy proposed? We should have a decision upon the sub-Treasury scheme, in acting upon the bill reported from the Committee upon Finance; and also upon the State bank deposite, in acting upon the bill introduced by himself.

Were we, he would ask, to act upon them, and not give any response as to the other remedy proposed, to wit: the establishment of a United States bank? In his opinion, we should neglect our duty if we pursued this course. For one, he was prepared to give his verdict on it, and he presumed that there was not a Senator on that floor who was not so prepared. If the object of gentlemen was to make an appeal to the nation by discussions on that floor, he would not unduly precipitate the discussion. But he would repeat that he was for meeting the question now. It was an issue in the cause upon which an answer ought to be returned. It was impossible, in the present state of the public mind, that the business of the community could proceed on any satisfactory footing till the legislative authority had spoken on every branch of the subject.

It was for these reasons that he should vote against the amendment of the Senator from Kentucky, and then against that of his friend from New York, which would bring us to a naked vote on the resolution reported by the Committee on Finance, which presented the question of the establishment of a national bank in the simplest and most unequivocal form.

Mr. BENTON expressed his gratification as a North Carolinian, at the auspicious commencement of his Senatorial career by the Senator from Ohio who had just taken his seat, [Mr. ALLEN.] He (Mr. A.) was born in the State of Nathaniel Macon, and delivered sentiments worthy of the school of that great patriot, and delivered it in a style to adorn his station. He had the elevated and constitutional view of the subject, and shown himself to be the defender of the compromises on which this Union was founded, and without which it cannot be maintained. The first of these compromises is found in the structure of this Senate, and its participation in the legislative power. Here

the States are represented as sovereign States, and each is equal; and this is for the protection and preservation of the weaker States. Thus, no measure can become law, except by a double sanction—the sanction of the majority of numbers in the House of Representatives, and the sanction of the majority of the States on this floor. The proposition of the Senator from Kentucky, [Mr. CLAY,] to declare that a national bank ought to be established when a majority of numbers is for it, (which majority, by-the-by, cannot be ascertained by petitions, but by votes,) goes to knock off one leg from the constitution, and one without which it cannot stand. It goes to the annihilation of the Senate, of the small States, and of the constitution.

Mr. B. animadverted upon the extraordinary scene of the day—the Bank of the United States manoeuvering to avoid a judgment on this floor, and endeavoring to escape the condemnation she has brought upon herself. How does this question come before the Senate? Upon petitions for a national bank. Whence originated these petitions? From New York, where the blank forms were prepared, and despatched to all parts of the Union, with a letter of instructions, to employ active agents to get signatures, and forward them to Congress in September. Such ready-made petitions came to St. Louis—were printed over again—the blanks filled up—and put into the hands of the city collector to get names. This is the way it was done in St. Louis, and doubtless it was done so in other places. Many of the petitions which had come here, he knew to be copies of the New York form. Well, these petitions were referred to the Finance Committee; they report that the prayer of the petitioners ought not to be granted; that report decides nothing unless it is confirmed by the vote of the Senate, and that vote of the Senate is now what we ask, and what the friends of the bank are manoeuvering to avoid. The bank is defeated by the people in this attempt to storm a new charter out of Congress. The people have not moved in her behalf; few are the petitions, even thus stimulated from New York, which have come in. The bank is sinking faster than ever. Since May last, she has been plunging into the gulf of perdition. The paucity of the petitions prove it; the vote of this day will prove it; and seeing this fate, her friends are playing out all their skill, exerting all their tactics, to extricate her from the doom of condemnation! condemnation upon this floor, where a few years ago she had almost two to one. But she cannot escape; the mortifying doom is at hand. She will be condemned; for these petitions are for her—for the present miscalled Bank of the United States—though nominally for a bank. The whole proceeding, in Congress and out of Congress, is in reference to her; and this is proved by every thing that is said or done.

Mr. B. concurred with the Senator from Virginia, [Mr. RIVES] that the Senate ought to reject all amendments, and vote upon the report of the committee alone—even the amendment which had already been adopted—that of the Senator from New York, [Mr. TALLMADGE.] He had voted for that amendment, and should still maintain it to be true; but the parliamentary course was to vote upon the report of the committee, because that, and that alone, was a response to the petitions.

Mr. BLACK was understood to say that the petition which he had presented had not been got up by the agency of the Pennsylvania Bank of the United States, but originated with the people themselves. If he had had reason to believe that the petition had not, he, most certainly, would not have presented it.

Mr. BENTON replied, and said it was no doubt true that the Senator had not presented any memorials of the character which he (Mr. B.) had mentioned. But he (Mr. B.) had himself presented one from St. Louis, which was copied from the New York petitions, and others of the same description had also been presented here.

Mr. WALKER said he should vote against the amendment, because he was desirous of meeting directly the main question presented in the resolution of the Committee on Finance. He was elected to his present station as the avowed opponent of the creation by Congress of any bank of the United States. Since that period he had seen no occasion to change his views upon that subject. The creation of a national bank at this time, with a capital adequate to regulate all the State banks of the Union, would but increase the existing embarrassments, by the new demand it would create for more funds and more specie, to put it into operation. Mr. W. also believed that such a bank, with a capital and powers adequate for these purposes, would be dangerous to the liberties of the country. The issue of bank or no bank was made in the pending elections in Mississippi; and he (Mr. W.) both before his departure from the State, and since his arrival here, had been repeatedly threatened with legislative instructions to support such an institution. To such menaces he had ever given but one answer; that if instructed by the Legislature to support the establishment by Congress of such an institution, he would most cheerfully resign his station in the Senate, that the State he represented might choose a Senator who could vote for the creation of a national bank. Deeply, most deeply, as he valued the honor of representing in this body the people of Mississippi, it was an honor not to be purchased by a sacrifice of principles which he believed inseparably connected with the liberties of the American people. Those principles he had fully avowed at the period of his election, and he could not desert or abandon them.

The question was taken on Mr. CLAY's substitute, and negatived as follows:

YEAS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Davis, Kent, Knight, Prentiss, Robbins, Smith of Indiana, Spence, Swift, Webster—14.

NAYS—Messrs. Allen, Benton, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Morris, Nicholas, Niles, Norvell, Rives, Roane, Robinson, Smith of Connecticut, Stange, Tallmadge, Walker, Wall, White, Williams, Wright, Young—26.

The question was then taken on the substitute of Mr. TALLMADGE, (once adopted by a vote of 29 to 14,) and it was now rejected by the following vote.

YEAS—Messrs. Linn, Nicholas, Tallmadge—3

NAYS—Messrs. Allen, Bayard, Benton, Black, Brown, Buchanan, Calhoun, Clay of Alabama, Clay of Kentucky, Clayton, Crittenden. Davis, Fulton, Grundy, Hubbard, Kent, King of Alabama, King of Georgia, Knight, Lyon, McKean, Morris, Niles, Norvell, Pierce, Prentiss, Rives, Roane, Robbins, Robinson, Smith of Connecticut, Smith of Indiana, Spence, Strange, Swift, Tipton, Walker, Wall, Webster, White, Williams, Wright, Young—43.

The original resolution as reported by the committee, was then adopted as follows:

YEAS—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Linn, Lyon, McKean, Morris, Nicholas, Niles, Norvell, Pierce, Rives, Roane, Robinson, Smith of Connecticut, Strange, Tallmadge, Walker, Wall, White, Williams, Wright, Young—31.

NAYS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Kent, Knight, Prentiss, Robbins, Smith of Indiana, Spence, Swift, Tipton, Webster—14.

SUB-TREASURY BILL.

The Senate then resumed the consideration of the sub-Treasury bill.

Mr. MORRIS moved to amend the bill as follows:

Strike out all after the enacting clause, and insert the following:

"That no bank note of a less denomination than those authorized by existing laws to be paid out by the United States, nor of any bank that shall issue notes of a less denomination than five dollars, shall hereafter be received in payment to the United States for lands, duties, taxes, or other dues, or to the Post Office Department, for postage, fines, forfeitures, or on any other account; and the joint resolution entitled "a resolution relative to the more effectual collection of the public revenue, approved thirtieth of April, eighteen hundred and sixteen, shall be so suspended in its operations that bank notes shall cease to be receivable in payment as aforesaid, as follows: from and after the first day of January, eighteen hundred and thirty-eight, not more than three-fourths of any payment to be made to the United States for lands, duties, taxes, or other dues, shall be received in bank notes: after the first day of January, eighteen hundred and thirty-nine, not more than one-half shall be so received: from and after the first day of January, eighteen hundred and forty, not more than one-fourth shall be so received; and from and after the first day of January, eighteen hundred and forty-one, the aforesaid resolution shall be repealed, and all payments to the United States for lands, duties, taxes, or other dues, and all payments to the Post Office Department for postage, fines, forfeitures, or on any other account, shall be in gold and silver coin only, or in such notes, bills, or public securities, issued under the authority of the United States, as shall be directed to be received by law: and from and after the first day of January, eighteen hundred and forty-one, every officer or agent engaged in making payments or disbursements on account of the United States, or of the Post Office Department, shall make such payments or disbursements in gold and silver coin only, or in such notes, bills, or public securities, as shall be authorized by law to be so paid or disbursed; and every disbursing officer, or agent, who shall neglect, evade, elude, or violate the provisions of this section, shall be dismissed from the service, and shall also forfeit all compensation which shall then be due such officer or agent: *Provided, always*, That no bank note shall be received in pursuance of this or any other act of Congress, other than the notes of banks who discharge their liabilities and redeem their notes in specie on demand."

The amendment, after some conversation, was accepted by Mr. CALHOUN as a modification of his own amendment.

The modified amendment was then ordered to be printed; and,

On motion of Mr. LYNN, the Senate proceeded to the consideration of Executive business, and, on opening the doors, adjourned.

WEDNESDAY, SEPTEMBER 27.

SUB-TREASURY BILL.

The bill imposing additional duties on public officers, making them depositaries of the public revenue, together with Mr. CALHOUN's amendment thereto, being taken up,

Mr. WALKER rose and said: the Senator from Kentucky [Mr. CLAY] has just explained to the Senate the causes which, in his judgment, had produced the existing embarrassments. Among these causes, he enumerated the effort made last year in this body to reduce the tariff. This position appears to me most extraordinary. The manufacturing, as well as every other interest in the United States, had been greatly stimulated by the wonderful expansion of the bank paper system; and if it had been checked, as the Senator from Kentucky supposed, by that effort to reduce the tariff, the overaction of the manufacturing interest had been so far diminished, and the revulsion which followed must have proved less disastrous in its results. If, indeed, the artificial stimulus of an augmented tariff had been superadded to the expanding influence of the banking system, the manufacturing interest would only have been lifted for the time to a greater height of seeming prosperity, to have received, from the revulsive shock which followed, a fall more fatal in all its consequences. If, then, the manufacturing interest, as is clearly shown, received no injury from the effort in this body in February last to reduce the tariff, still less could that failure have affected injuriously any other great interest. It was sufficient, in answer to this argument of the Senator from Kentucky, to say, that this effort to reduce the tariff was unsuccessful. But if it had succeeded, I cannot perceive how a reduction of the taxes of the people could have increased or brought on the present disasters. On the contrary, I shall endeavor to prove hereafter, in the course of this address, that the reduction of the revenue to the wants of the Government would have greatly alleviated, if not altogether prevented, the existing embarrassments. The money would have remained in the pockets of the people, and would not have gone into the deposite banks, to have augmented their funds, and increased that inundation of paper money, in the reflux of which we now find wrecked and stranded all the great interests of the country.

But the Senator from Kentucky, as the great and distinguished champion of the tariff policy, might well oppose the measure now under consideration. That measure was to continue, now and forever, the existing separation between the banks and the General Government. This fatal union of bank and State, it seemed to have been overlooked, was clearly calculated to produce a powerful alliance between the banking and tariff policy. So long as the banks are continued as depositories of the revenues of this Government, it is their interest to increase those revenues, and thus augment their deposites and dividends. By increasing the tariff, the banks then increase our revenues, and augment their deposites and profits. Hence, it is, that, with so few exceptions in this body, the friends of the tariff are found united in the effort to restore the former connexion between the Government and the banks as the depositories of the public revenue. The re-alliance between the tariff and the banking policy would be most formidable indeed, and should be resisted at every step of its progress by the great agricultural interest of the country. There was too much reason to fear that the great battle between the friends and opponents of free trade must be fought over again in 1842, when the tariff reached the lowest point in the scale of descending graduation. I look forward to that period as the most critical in the future history of the country. It would then, perhaps, be finally decided, whether the tariff should be permitted to remain at the revenue standard, or whether it should be augmented and enlarged, to advance one favored interest by spoliations committed upon another—by the collection of taxes beyond the wants of the Government. In looking forward to this period, and the final adjustment of this great question at that time, I can vote for no measure which would make it the interest of the banks to augment our tariff and revenues, with a view to the increase of their deposites and dividends. The banking interest of the country was already great and powerful. It consisted now of eight hundred and twenty-three banks, and what might be the number in 1842, if again stimulated by heavy deposites, no human foresight could predict or determine; but if, in the next five years, it augmented in the same geometrical ratio as the last, we should have in 1842 nearly sixteen hundred banks, with a capital approaching one thousand millions of dollars. Especially—judging of the future by the past—would this increase in the number of banks be greatly promoted by reuniting them with the Government as depositories of the revenue. And shall I, a Senator from a State raising now nearly one-fourth of the great staple of the South, and destined soon to stand at the head of the great exporting States in the Union—shall I aid, by my vote, in bringing either now or in 1842,

this great banking interest of the country in aid of, and alliance with, the tariff policy?

But if the re-alliance between the banks and the Government would consummate the union between the banking and tariff interests, the discontinuance of the banks as depositories of the revenue, under the provisions of this bill and its amendments, will make it the interest of the banks to oppose the augmentation of the revenue. By this bill, the banks are at once and forever discontinued as depositories of the revenue; and by gradual and successive steps, commencing now, and going fully into operation in 1842, no bank paper after that period will be received in payment of the public dues; and consequently, after that date, these payments must be made chiefly in gold and silver. Now, the great argument of the friends of the bank deposite system is, that this bill will diminish the specie in the vaults of the banks, by substituting that specie for bank notes in revenue payments. So far as this effect may ultimately be produced partially by this bill, it will make it the interest of the banks to diminish the tariff and the revenue, so as to diminish the calls upon them for the redemption of their notes in specie, to be used in revenue payments. The smaller the amount of the revenue, the less will be the influence of this bill in diminishing the circulation and profits of the banks. Thus, if under this system the Government collected little or no revenue, the bill under consideration would have little or no effect upon the circulation of the banks; whereas, under such a tariff as that of 1828, the revenue from duties would amount now to nearly fifty millions of dollars, and produce a wonderful curtailment of the circulation and profits of the banks. The banks, then, now, as well as in 1842, under the system we propose, would be directly interested in diminishing the revenue and keeping down the tariff.

Nor is it less obvious that, upon the same principles, the adoption of this measure would make it the interest of the banks to diminish the revenue from public lands, by a reduction of their price, and by confining the sales to actual settlers; for otherwise, the prodigious sales of the public lands for speculation, at existing prices, which amounted, during the last two years, to near forty millions of dollars, would produce such a presentation of the notes of the banks for specie to pay for the lands, as greatly to curtail the circulation and profits of these institutions. But if we continue the late system of bank depositories, and of receiving bank paper for the public revenue, it becomes the interest of these institutions, as was clearly proved in 1835 and 1836, to augment their deposites by increasing, through loans, the sales of public lands. Indeed, under this system, nearly the whole of the public lands worth purchasing, would have passed, in a few years, into the hands of speculators—whole townships and counties being covered at an entry, by quires of bank paper, to be redeposited in a few days in the banks which had loaned the money. As, then, this bill is calculated to keep and bring down the tariff and the price of the public lands, and limit the sales to actual settlers, upon what principle can I refuse to sustain it? From the first moment of entering this body, I have invariably opposed the surplus distribution policy, in all its forms and under every aspect; and as invariably advocated the reduction of the revenue to the wants of the Government, by reducing the tariff, reducing the price of the public lands, and confining the sales to actual settlers or cultivators; and shall I now oppose a bill which must prove so powerful an auxiliary of these great measures?

Nor is it less obvious that the re-establishment of a great bank of the United States as the fiscal agent of the Government, would be a still more powerful ally of the tariff policy. It would be equally its interest to increase the tariff, and thus augment its deposites and dividends. And if, as we are informed by its friends, it could become the regulator of the State institutions, existing, as Mr. Biddle has told us, by its forbearance, it could, at its pleasure, wheel into column this army of dependent corporations, as auxiliaries of the great bank power in augmenting the tariff.

But the Senator from Kentucky, among other causes which he enumerated as producing the present disasters, was the veto of his land bill in 1832, by ex-President Jackson. Now, by the provisions of that bill, the nett proceeds of the sales of the public lands for the years 1833, 1834, 1835, 1836, and 1837, were to be distributed among the States. By a reference to the public documents, it appears that these sales amounted to about sixty millions of dollars. This sum was to be irrevocably distributed among the States, and was to be lost forever by the General Government. Now we have already distributed twenty-seven millions of dollars among the States, and are compelled to make a temporary loan of ten millions of dollars, as authorized by the bill which has already passed this body, rendered necessary by a deficit in the public revenue. Now this bill of the Senator from Kentucky would have increased this deficit to forty-three millions of dollars, as proved incontestably by the facts and documents now before us. This bill, then, would have reduced us to a most disgraceful bankruptcy. It would have involved us in a new national debt, and rendered an increase of the tariff inevitable. By this operation, the State of Mississippi, where it received one dollar, would have been compelled to pay back three, by the operation of the tariff, reducing the price of her staple, and depressing the great agricultural interest of the whole country. Such would have been the glorious effects of this measure—such the relief it would have extended to the community. Its relief would have been an immense national debt and oppressive taxes. In the session of 1835, 1836, the Senator from Kentucky again advocated the passage of this bill, when I thought it my duty to oppose the measure, and point out the evil consequences which the result has shown would have flowed from its adoption. At the last session, the Senator from Kentucky again introduced a similar measure, grasping for distribution these sales of the public lands, for the past as well as for the future, and terminating only on the last of December, 1841. This measure would have reduced the Government to still more irretrievable bankruptcy. But the worst of its effects are yet to be told. This bankruptcy, and its associated national debt, would have occurred or accumulated at the commencement of the year 1842—the very year for the final adjustment of the tariff under what is called the compromise act, when this accumulated debt would have rendered it impossible to prevent an augmentation of the tariff.

Such would have been the effects of the various land bills of the Senator from Kentucky. But, if that Senator could have united with me in the support of the land bill introduced by me the session before the last, reducing the price of the public lands in favor of settlers and cultivators, confining the sales to them, the present disasters, in all probability, would not have overwhelmed us. We should have had little or no surplus. The enormous sales of public lands to speculators, amounting, in two years, to about forty millions of dollars, produced this surplus. These sales would have been prevented by the passage of that bill. This surplus, as I took occasion then to predict, has been the potent cause of the present disasters; and the deposite, the fatal deposite distribution bill, with its no less fatal equalizing supplement, so strenuously opposed by me, precipitated the great catastrophe. This forty millions of surplus deposited with the banks has been regarded by them as capital, and upon it they have extended their issues to an extent unprecedented. This inflation of the currency caused overaction in all the departments of trade and business. The banks not only swelled their issues, but, as a necessary consequence, paper credit of every description increased to an alarming extent. Prices rose incredibly, and

every thing found a purchaser, upon credit, at almost any price. Mercantile acceptances, founded not on money or produce, but on credit only, were augmented to an extent heretofore unknown. New York and New Orleans, being the greatest theatres of these operations, were the first to feel the shock—the first link in the chain of paper credit breaking at New Orleans, and the next in New York. These calamities, though no one could tell the precise moment when the catastrophe would come, were clearly designated in the report in favor of the land bill, presented by me two sessions ago. The means, also, of guarding against these calamities, were fully pointed out in that report. These means were, to pass the land bill at once, and prevent the accumulation of that surplus which afterwards rose to forty millions, and swept before it the banks, the Government, and the people. I will only trouble the Senate with one short extract from that report:

"It is, then, the interest of the whole Union that those monopolies of the public lands should be arrested, and that capital should continually flow in the various channels of productive industry. If, among other causes, the existing embarrassments are now greatly attributable to the speculating investment of millions, during the past year, in wild lands, what will be the result if the system is permitted to continue for a series of years unabated? It is easy to foresee that the necessary consequence will be increasing distress and embarrassment, or at least a diminution of the national prosperity."

At that session this land bill could scarcely obtain a hearing, and the predictions of the report portraying the disasters that would occur from the refusal to prevent the accumulation of the surplus, were treated as wild and visionary. We were careering onward upon the tide of an unreal prosperity, and no one could be induced to look forward to that shore where the mighty vessel of the Government itself was destined so soon to be wrecked and stranded. But, at the next session, when, as the report had predicted, whole States had been covered by speculative entries of public lands, with bales of bank paper obtained by loans of this accumulated surplus, then, at last, when perhaps even then it was too late, this land bill obtained a hearing. It passed the Senate, but was, most unfortunately, defeated in the House, as also was the bill reducing the tariff; then, for the first time, we set seriously to work to reduce the revenue to the wants of the Government, and the new deposite distribution project of the last session was defeated, on my motion, by the casting vote of Vice President Van Buren. And shall we not all learn from the catastrophe which followed the surplus, the fatal tendency of that policy, and that the only path of safety for us is to reduce the revenue to the wants of the Government.

The next great question presented in the address of the Senator from Kentucky, was the creation by Congress of a national bank, as the only measure, in his opinion, calculated to relieve the distresses of the country. Why then has he not favored us with his project of a charter, that it might be examined by Congress, and by the nation? This the Senator had not done, and his failure to present his plan would be regarded in no other light than as an acknowledgment of the great and intrinsic difficulty involved in such a question. Surely that Senator could not ask the Senate to vote against the measures now under consideration, unless he proposed some substitute. None, he presumed, was so entirely confiding, as to take upon trust any and every charter of a bank which that gentleman might think proper for the present contingency. Let us see the bill with all its specific provisions, that Congress and the country may compare it with the measures now under consideration, and decide between them with full light and knowledged upon the whole subject. However great the confidence which any portion of the American people might repose in Senators opposed to the administration, he hardly thought the nation would be carried away by any vague or indefinite proposition; any clamor, however loud, for a national bank—a national bank, when the charter was withheld from their consideration. I now call upon the Senators opposed to the administration for their specific plan of relief; for a view of their proposed bank charter; and if this were refused, it must either be conceded that they can present no practical project, or the charge of non-committalism, which had been so industriously circulated, but without the shadow of foundation, against the President of the United States, must recoil on those who made it.

But although the Senator from Kentucky had not favored the Senate or the country with the provisions of his proposed bank charter, yet he has designated the means by which at least a portion of the specie necessary to constitute a part of the capital of the bank, may, in his opinion, be obtained. He tells us that fifteen or twenty millions may be obtained from abroad; and that if we object to the supposed influence which the foreign stockholders would have in the institution, to prevent such stockholders voting in the election of directors. We have tried this heretofore, and it did not prevent this influence. The fact is, the ownership of so vast a portion of the stock of the bank by British lords and bankers, would necessarily give them a powerful influence over the institution, and enable them, by an alliance formed between the American and British banks, to control the moneyed transactions of both countries, and to elevate or depress the price of property at their pleasure. The Senator from Massachusetts [Mr. WEBSTER] had, a few days since, derived this power of creating a national bank from the authority given to Congress to regulate commerce; but, were this position correct, which was not conceded, are we prepared to surrender this power of regulating commerce to any great irresponsible moneyed corporation, much less to such a corporation, composed in part of any portion of the British aristocracy—the hostility of so many of whom to our republican institutions was so well known and clearly defined? To trust in whole, or in part in their keeping the moneyed and commercial relations of this great republic never would be permitted by the people of the United States. Besides, were we willing thus to procure this amount of specie from England for these purposes—if the argument of the friends of a national bank in this body be true, that, what they have been pleased to call the forced importations of specie into this country, produced by the policy of the late administration, has caused a comparative scarcity in Europe of the precious metals, and partly occasioned their and our existing embarrassments, and the fall of cotton and of prices generally—what, we may ask, would, upon these principles, be the effect of this sudden and immediate demand upon England, at this period, for fifteen or twenty millions of specie? It is in vain to suppose that we could, at this period, put a national bank in operation, by borrowing in England fifteen or twenty millions in specie. No, we would have to look among onrselves for the stockholders, for the nation would permit no others; and the specie to put such a bank in operation must also be looked for among ourselves.

A national bank, capable, according to the theory of its friends, of regulating the existing State banks, including the regulation of their late alleged regulator, the Bank of the United States, rechartered by Pennsylvania, must possess an actual capital, as I shall prove hereafter, of at least seventy millions of dollars, and, so far as paid in, consisting of gold and silver. No one would propose a bank, whose capital was not paid up; for the bubble business of creating banks on the stock notes or credit of the stockholders, could have no advocates in this chamber. Such a bank must commence its career on capital, not credit. Now, how is this capital to be obtained? Not as formerly by Government stock; for we have no debt to represent that stock, as

we had in 1791 and 1816, when the first and second banks of the United States were created, and no one would presume to ask that the Government should be involved in a new national debt, (inviting a renewal of the tariff,) for the purpose of creating a national bank. In 1791, three-fourths of the capital of the national bank then created, consisted in the securities or funded debt of the United States, bearing a fixed interest, and redeemable from the public revenue at specified periods. A large portion of the capital of the second bank, consisted in five per cent. stock of the Government, representing a portion of the national debt, and redeemable at fixed periods. Of the thirty-five millions of capital of this bank, when all paid in, twenty-one millions consisted of this public debt. We have now no funded or other debt to assume the shape of public securities, and constitute any portion of the capital of a national bank. How, then, is the capital of a new bank to be paid in? It can only be paid in stock notes of the subscribers, or State bank notes, or gold and silver. No one would propose the first method, and, if proposed, it would give no real capital to the bank, but begin and end in bankruptcy. The second method of payments, none would propose, for the depreciated paper of broken banks would constitute no capital upon which the new bank could issue a paper convertible into gold and silver. The precious metals, then, could alone constitute the sole capital of the bank. Now, let us suppose the bank chartered, and with a capital of seventy millions. Where, at the present period, is this enormous amount of gold and silver, or any large portion of it, to be obtained? Not from Europe, as we have seen; and if attempted now in this country, even to the extent of fifteen or twenty millions, it would prevent, by this new demand for the precious metals, the possibility of the resumption of specie payments by the banks, or cause them immediately to suspend again, if they should resume specie payment. The passage, then, of a national bank charter at this time, with an adequate capital, would greatly injure, if not entirely overthrow, the banks of the States, and render still more intense the existing distresses. But were all these difficulties removed, and were such a bank put in operation, by depriving the State banks of the means of obtaining the gold and silver necessary to resume specie payment, the emission of the notes of the new bank would still further depreciate the paper of the suspended institutions, and involve most of them, and large masses of the people in one common bankruptcy. It is time, then, that those who look to the establishment at this period of a national bank, should awake to the reality, that such an event would, at this crisis, prevent the resumption of specie payments by the State banks, depreciate their paper, so as almost to drive it out of circulation, or at least render it not receivable in payment of debts, unless at a ruinous discount, and increase and prolong the existing embarrassments. Nor should it be forgotten that, even if the attempt were now made to procure from England the necessary specie to put a national bank in operation, at the very time when so many of the State banks are endeavoring to obtain it from the same source, both could not succeed; and the suspended banks, being the weaker power, would be broken down in the conflict.

But suppose the bank chartered and put in operation, with, for the sake of argument, the power claimed by the friends of the late Bank of the United States to regulate and control the State institutions. The capital of a new national bank, adequate at this period for these purposes, must consist, as heretofore stated, of at least seventy millions of dollars. The number of the State banks, when the late Bank of the United States was created, was usually estimated at two hundred, and their capital one hundred millions of dollars. The number of these institution at this period is eight hundred and twenty-three, and their capital about three hundred millions of dollars. If, then, the augmentation of the controlling power is to bear any proportion to the increase of the number and capital of the institutions sought to be controlled, the capital of the new regulator must be at least double that of the old one, which would make it seventy millions of dollars. But we must also consider that the new bank must not only have adequate powers to control the eight hundred and twenty-three State banks, but also to control the very power which is claimed to have regulated them, continued in existence by the State of Pennsylvania, under a charter which its very able president (Mr. Biddle) tells us renders that bank stronger and more powerful than it was under its former charter. The new bank, then, must be able to control the regulator and the regulated; and as the former must have been more powerful than the latter, the capital of the new bank must be at least double that of the old one. Indeed it must be much greater, in the precise proportion in which the power of the old bank as a regulator exceeded that of the institutions over which it exercised a control. Seventy millions, then, is the least capital, upon which the new bank can be asked to be created, with adequate powers to regulate the State banks, and control the currency. Under the old system, the late Bank of the United States was regarded by its friends as the sun of the moneyed system, and the State banks as stars revolving round the central power. This sun and those stars are still in existence, though all have been madly shooting from their spheres, and the new bank orb must have power enough to control and regulate the whole system, and to recall the greater and lesser lights from the eccentric orbits in which they are now revolving. And are we prepared to create a power of such great, such terrific magnitude—a power wholly irresponsible to us, or to the people, and greater than the Government itself? Is it not clearly seen, that an institution of such overshadowing power, with a capital of seventy millions, and regulating a State bank capital of three hundred millions, would not merely regulate the banks, and currency, and exchanges, but would also regulate and control agriculture, commerce, manufactures, and the price of all property and of all products throughout the whole Union. The prosperity of the whole country, and of the whole people, would be subject to its controlling power, and he who would be willing to create such a power, in the hope that it would be its interest and desire to promote the public welfare, must be prepared for a despotic Government, in hopes that the identity of interest between the monarch and his subjects would make him a kind and forbearing master. But, unfortunately, it is not always the interest of the mighty head of the banking system to promote the public welfare. On the contrary, when, from its anxiety to accumulate heavy dividends, it has expanded to the utmost point the bank circulation, and when the revulsion comes, as come it must, this mighty power must either fall itself, or in its efforts to sustain its credit by the recall of its issues, and the curtailment of its loans, spread ruin and dismay throughout the country. If any doubt the truth of this position, let them look back to the panic of 1834, when the late Bank of the United States curtailed its issues so many millions, within so short a period, and so nearly produced the catastrophe which now overwhelms us. Or, if any suppose that these curtailments were the necessary result of the conflict between the Government of the people and the government of the bank, let them look back to the period of 1818-'19, when the relations of the bank and of the Government were of the most friendly character. Mr. Cheves, in 1819, president of the Bank of the United States, in his official expose, then published, tells us that the curtailments of the bank were "within the period of eight months, eight millions of dollars and upwards;" and yet it was brought to the brink of ruin. In the same official document, Mr. Cheves says: "On the 12th of April, 1819, the bank had in its vaults

but $71,522 47, and owed to the city banks a balance of $196,418 47; and its circulation was still "six millions." He concedes that the suspension of specie payment by the bank was considered nearly inevitable. Such was the condition of the great regulator in 1819, with one dollar in specie for every hundred of its circulation, and expecting every moment to be compelled to suspend specie payments. So far from being enabled to regulate the State banks, which almost universally failed then, as now, this great regulator was brought to the brink of ruin. It was saved, and barely saved, by its successive curtailments; but the State banks were destroyed by the operation, and the country ruined. Speaking of that gloomy period, Mr. Niles in his Register of that date says: "From all parts of our country we hear of a severe pressure on men in business, a general stagnation of trade, a large reduction in the price of staple articles—real property is rapidly depreciating. Many highly respectable traders have become bankrupts; three per cent. per month is offered for the discount of promissory notes, which a little while ago were considered as good as old gold. There are 20,000 persons daily seeking work in Philadelphia; in New York 10,000 able bodied men are said to be wandering about the streets looking for it; and, when we add to them the women who desire something to do, the amount cannot be less than 20,000." Such is a picture of that gloomy period, as it will be found portrayed in all the public journals of that date. The whole country presented one boundless expanse of ruin and desolation. And how produced? By the enormous expansions, and as sudden contractions, of this great regulator, the Bank of the United States. The present Bank of the United States, proclaimed by President Biddle to be stronger under its present than its former charter, has failed to regulate the currency even in the State of Pennsylvania; but this very bank, although conducted by one of the most remarkable financiers of this or of any other country, as well as the rest, has suspended specie payments. This same institution, under its late charter from Congress, failed to regulate the currency in 1819, when the local banks broke almost universally; and the old bank of the Union did not succeed as a regulator when, in 1808-'9, during the existence and full operation of that bank, there was a general failure of the banks of New England, then being about one-third in number of all the banks of the Union. The attempt, then, to regulate the currency by a Bank of the United States, ever has been a splendid failure. The experiment failed in 1808-'9, under the regulation of the old bank of the United States. It failed under the dominion of the late Bank of the United States in 1818-'19, and it failed again under the continued existence of the Pennsylvania Bank of the United States; substituting, as it did, agencies for branches in the various States, and stronger (as the distinguished banker at its head has told us) under the new than the old charter. At last, the mighty regulator has stopped itself; and, so far from aiding, opposes the efforts of the State banks of New York to fix an early day for the resumption of specie payments. But even in its prostrate condition, this mighty institution, under its new charter, is entering upon a new field of power and speculation. Heretofore it only professed to regulate the State banks, and exchanges, and currency; now it is regulating the price of cotton, and of all commodities affected by it. It has turned cotton broker, and recently purchased an amount of our great staple, usually estimated at three millions of dollars—purchased at a period of the greatest depression, produced, in part, by the panic appeals and gloomy pictures of its organs and advocates—and will soon sell out at an advance, only afterwards to depress the market again, and make new purchases and new speculations. Nor is this all: in addition to its agencies in the States, procured by the wholesale purchase of several of the State banks, and the employment of other dependent institutions, it has established one of its own officers as a permanent agent in England, with an immense salary, there to overshadow our minister by the affiliated power of its British stockholders and British bankers, to control forever the price of all our exports, and in fact our whole commerce. Thus may this formidable alliance, by periodical contractions of the paper system, and the panics which ensue, bring down the price of our great staple, and purchase the crop when it is low, only by succeeding expansions and a consequent increase of the price, to sell when it is high, and renew from time to time these ruinous expansions and contractions whenever it, or its British bank allies, now openly proclaimed and fully organized, think proper to renew the speculation. By this means, if this mighty bank power does not regulate that slavery of the South, so much denounced by so many of its organs and advocates upon both sides of the Atlantic, it controls the value of slave labor and the price of all its products. Cotton rises or falls, as the bank desires to sell or to purchase, and so does every other commodity affected by the price of our great staple. And shall I, an advocate of free trade, an opponent of tariff or bank monopolies, be asked to place my constituents and their property beneath the control of this powerful institution, by giving it a new charter from this Government, or by making it a depository of the national revenue? And, if not, shall I be asked to create a still more powerful institution, to regulate more than eight hundred State banks—to regulate this very Bank of the United States—and control the price of all property and all products? Who does not see, that before a year, the president of the present Bank of the United States, with his great American and British allies and stockholders, would be at the head of the new institution, with increased and increasing power, and the old bank, and the dependent State institutions, all regulated by the new bank potentate, would be but the subjects, existing by the forbearance of the mighty paper monarch. And shall I aid in creating this enormous, this irresistible central power? Shall I give it this triumph over the people and over the States? subjecting the price of all their property, and all their products, to its expansions and contractions, and following, to some distant capital, the seat of the new moneyed power, with my constituents as captives, suppliant captives, in the triumphal procession of this more than Roman conqueror. No one acquainted with political economy can deny that the power which creates and regulates the issues of paper money, and augments or diminishes it at its pleasure, and thus makes money plenty or scarce, does control the price of all property and all products, and the wages of labor and industry. This is the very regulating power claimed for the bank and its advocates. The tariff controlled the pursuits and business of men—giving temporary and artificial success to one branch of industry, and one section of the country, by the entire overthrow of other branches of industry, and other sections of the Union. But this is worse than the tariff; for that at least was regulated by the Representatives of the people and of the States, whilst this is a great irresponsible power, placed by its charter, for a series of years, above and beyond the people; its managers not chosen by the people, or subject to their instructions or recall, but electing its own officers, responsible only to the power of the bank itself, and deciding in secret conclave upon the destinies of the nation, and the price of all the products and all the property of every citizen.

And who will ask, not merely the re-establishment of a similar power and similar institution, but the creation of a new and infinitely greater power—a mighty institution, capable of controlling the former regulator, and all its dependent corporations? Who does not see that such a bank, with such regulating and controlling powers, would be stronger than the Government itself, and would control all its operations, either as its ally or conqueror? If it came

as an ally—as it must be—of the administration which created it, it would unite here the powers of the bank and the Government, and terminate in a sordid central despotism. Talk not of the President or Congress of the people, when such an institution shall have been created. Our real President would be the president of the bank—our real legislators the directors of that institution; and the States—the States, subdued by the same influence—would gradually sink as undiscoverable spots upon the orb of a resistless central power. An ambitious President, aided and sustained by such a terrific and corrupting influence, could indeed strip us in a few years of all but the forms of constitutional freedom; and the Government would be merged in the bank, or the bank be merged in the Government. This merger took place in France, in 1718, between the bank and the Government, and it has nearly taken place in Great Britain. Here the union would be inevitable, whenever the bank places a President in power, and succeeded, through him, in obtaining a charter.

Yes, the creation of this great bank power, to become the ally of the British bank and bankers, is indeed a question not only affecting the forms of our Government here, but a question whether these States shall be re-colonized—whether the English bank, and its American allies, shall regulate all our commerce, and the price of all our products. It is now boldly asked that England should have a vast circulation of gold and silver, but that we should have very little silver, and no gold, and substitute bank paper, controlled by the power which retains the metals. That money should be debased in value here, to enable England to control our business and circulation—that England may sell her imports here at our paper prices, whilst she gives for our exports the diminished price arising from a metallic or chiefly metallic currency. No nation could long stand the operation of such a system; but the exporting States, the price of whose staple depends chiefly upon the English market, and not the amount of American paper money, would soon be reduced to absolute bankruptcy. With the expansion of the paper money here, every article the planter desires to purchase would be enhanced in price, whilst his cotton, regulated by the English market and currency, would remain nearly stationary; till soon the expense of raising cotton would be so greatly increased, whilst the price of the article remained nearly the same, that little or no profit would be derived from the culture. It is not the nominal paper prices of property here that gives real prosperity to the planter, but the nett profit upon the staple he raises, in calculating which the expenses of raising the article, arising from the exansion of American paper money, is precisely so far a diminution of his profits. Upon the exporting States, then, is thrown nearly the whole burden of this system. They participate in all the evils of an explosion, and during the expanding process, whilst they give more for every article connected with conducting a plantation, their great staple experiences no correspondent rise, being governed by the less inflated European money market. To illustrate this position, suppose, from the absence of bank paper, the expense in Egypt, the East Indies, or Brazil, of raising cotton, including the interest on capital, was one cent per pound, whilst here, from the paper expansion, it was six cents per pound; how long could we withstand the competition—the cotton of all other countries bringing in Europe the same price as our own? Is it not evident that a few years more of expansion of the American paper system would reduce the exporting States to absolute bankruptcy, and the whole country to the most abject dependence on the money power of England—selling high her imports here by the false standard of our paper money, and purchasing low all our exports at the price regulated by her less inflated currency? In this way, England would vastly retard our actual increase of national wealth, by selling her imports to us at our paper prices, for a vast amount, and giving us a less price for our exports, estimated by her nearer approach to a metallic currency. Is it not seen, in this exchange of imports for exports, we get, for the same money, fewer imports, and England more exports, by the precise ratio in which imports are raised in price here by our paper money, and exports depressed by being measured by a currency more nearly metallic, and thus the whole nation sustains a great loss?

It would be most curious and instructive to compare tables from 1800 to the present period, representing the prices current of cotton, of domestic produce consumed wholly in the United States, and the amount of paper circulation. These tables I have neither had the time nor the opportunity to prepare; but this much must be known to every Senator, that as the paper money, before an explosion, rose in amount, domestic produce rose also, whilst cotton at the same period repeatedly fell—being regulated by the European money market. One fact alone will be conclusive evidence of the principle, that whilst from 1815 to 1825, the prices of our cotton, including Sea island, averaged eighteen cents per pound, from the latter period to 1835, inclusive, the average price was less than twelve cents per pound; whilst from 1815 to 1835, our paper circulation has nearly doubled. The price of our cotton, then, instead of augmenting with the increase of our paper money, has actually greatly fallen under the operation. The expanded paper money system operates as a perpetual tax upon the planter; and nothing is more clearly demonstrable than that, if every expense attending the conducting of a cotton plantation, including the property itself, rose in the same proportion, for the next, as it had done for the last three years, whilst cotton remained stationary, we should be compelled to abandon the business as altogether unprofitable.

Nor will a national bank prevent these expansions in this or any other country. The Bank of France in 1718, so prosperous in the commencement of its career, was soon over-extended, and burst with a fearful explosion, leaving upon the hands of the people four hundred millions of worthless paper, spreading in every direction ruin and dismay, and convulsing the very foundations of the Government. Paper money was nearly abandoned in France, for more than half a century; and when it rose again out of the horrors of the French Revolution, again it exploded, with consequences, if possible, more terrific than before; and now no bank note under one hundred dollars is issued in France; and more than three-fourths of her circulation is gold and silver. In this country, we see now the great Bank of the United States, proclaimed by its president more powerful under the new than the old charter, prostrate and suspended; we see the same institution in 1819 reduced to the verge of bankruptcy, with one dollar in specie for every hundred dollars of its notes in circulation; and at the same period, as well as in 1808 and 1809, we have seen the State banks failing under the regulations of the Bank of the United States. The defect is in the system; for it is alike the interest of a national as of State banks, to expand their issues, with the view of augmenting their profits. Expansion is the vice of the entire system; contraction must soon follow, and suspension terminates the scene; and when a national bank suspends, associated as it must be with the Government, and connected with all the pursuits and interests of the people, the catastrophe must be great and overwhelming. The Government which created such a bank, might be held responsible by the people for the dreadful calamity; and amid their agony and despair, they might seek relief in revolution. Let us be most thankful that we were saved, as it were, almost by a miracle, from the failure of the national bank in 1819; and

let no friend of this Union ever desire to subject it to a similar hazard.

But we are told that the State banks, or nearly all, bear evidence to the regulating powers of the United States Bank, and desire its recharter. It is interest that prompts this action on the part of the banks, because, by the creation of a national bank, they are enabled to conduct their business with less specie; and, consequently, with more profit. Let us illustrate this by a few examples. Without a great overpowering national bank, substituting its paper for specie, the banks of New Orleans and Natchez must keep in their vaults a larger specie basis, to supply the demand of the up-country traders and producers, who, upon their return to their respective States, take home these balances in gold and silver. To meet this demand, these banks must, in the absence of a national bank, issue less paper, or keep on hand a larger supply of specie. If, then, we look to the period when the Bank of the United States was in successful operation in the Southwest, their banks are found to possess very little specie, and much less specie, as shown by their returns, in proportion to their circulation, than at the present period. And why is this? The circulation of the paper of the Bank of the United States, in addition to the amount in the possession of the State banks, constitutes their basis of operations, and is substituted for the specie in their vaults. In the mean time, the paper of the national bank is substituted for specie in the general circulation. It expels the specie from the country, or prevents its importation, by preventing the use of and demand for it to settle balances due in the different States. Never, then, can we hope to have, under such circumstances, as all experience has proved, any great amount of gold and silver in the country; for the national paper, which is the cheaper currency, expels the specie, which is the more valuable. In pursuance of this universal law of the monetary system, we have seen that, at the period of the veto of the United States Bank, there was but about twenty millions of dollars of specie in the country, and now there is eighty millions; which, in the absence of a national bank, must and will go on augmenting. But, it may be asked, why should the State banks desire the creation of a national bank, by the augmentation of its circulation to usurp the channels of circulation that might otherwise be occupied by the State banks? Because the paper of the national bank, whilst it diminishes the specie that must be kept on hand by the State banks, enables them to make more money on a less actual specie capital. But this is not all: with the issues of paper by the national bank, added to the State bank issues, there is, till the explosion comes, a temporary rise of property; thus requiring more money in circulation to meet the augmented price of property. I have called it an augmentation of the nominal price of property, but it is in fact no increase of its real value, but a sinking, a debasement, of the value of money, arising from the augmented circulation, requiring larger national amounts of bank paper to make purchases and conduct all transactions. No addition is made to the real wealth and real capital of the nation; the only addition is to the dangerous amount of bank paper circulation and the increase of bank dividends. Hence it is that the State banks desire a national bank, not as a regulator to contract their issues, but in order to issue more paper on a smaller specie basis, and thus enlarge their profits. Hence it is, also, that with the enlargement or contraction of the issues of the national bank, the State banks generally enlarge or contract also, the national bank paper being substitued in place of a specie basis. Hence it is, that, were a national bank created as our fiscal agent and depository, it would be the interest of all the State banks to augment its deposites by increasing the tariff, and thereby augment its own circulation, so as to diminish the demand upon them for specie to redeem their paper. It is interest, then, and not a desire to be controlled or regulated by a national bank, that urges the State banks to desire the establishment of a national institution. And had it been established, and continued to this day, we should have had in the country but twenty millions of specie only, and with a paper circulation greatly expanded, and based, not upon specie, but upon national bank paper circulation, and when the convulsion came—as come it must—the State banks could not have existed for a moment, having little or no specie.

With the general crash and universal extinction of confidence, the United States Bank must have fallen, (as its successor has lately done,) and the suffering would have been more intense, and of longer duration. If any doubt this latter statement, let them look to the period of 1818, 1819; when, on account chiefly of the enormous over-issues by the national bank first, and State banks afterwards, the crash came; the United States Bank, reduced to one dollar in specie for every one hundred in circulation, was barely saved from suspension; but, in saving it, the State banks and the people were ruined, and the most intense suffering and prostration of business prevailed during a period of three years. Now, even since the message was published, confidence is already reviving, depreciated bank paper has risen—stocks have risen, and business is recommenced. Why this difference between the pressure of 1818–'19, and of 1837? The eighty millions of specie, around which public confidence can rally, creates the difference, as constituting the great basis for the resumption of specie payments; whereas, had a great national bank been in existence, and substituted its paper, as it would, by expeling the precious metals, when the explosion came, the very existence of this national paper currency would, as it did in 1818 and 1819, but increase the catastrophe, by the effort, which the great national bank did then, and must ever make in such a convulsion, to save itself by calling in its issues, by curtailing and necessarily fortifying itself with specie drained from the State banks, which fall immediately beneath the pressure. This whole pretence of regulation of the State banks by the United States Bank is founded on the following by-law:

ARTICLE 25. "The offices of discount and deposite shall at least once every week settle with the State banks for their notes received in payment of the revenue, or for the engagements of individuals to the bank, so as to prevent the balance due to the office from swelling to an inconvenient amount."

Now this regulating article could have none or at least a very trifling effect upon the distant banks, whose paper does not reach the office of discount of the Bank of the United States. And even as regards the banks affected by this article, are they by its terms or directions to settle these balances in specie? No, there is no such payment required, and, in point of fact, it is rarely if ever made, and therefore does not compel the State banks to enlarge their specie, and check their operations; on the contrary, these balances are settled by drafts on other banks, and redrafts from them, often mere bank kites, founded on mere credit arrangements between them; or by exchange often composed of mere accommodation mercantile acceptances, endorsed by the State banks; and thus, or by other credit accommodations, these balances are settled, but not a dollar of gold or silver is seen in the whole transaction. And why is it that these State banks (which Mr. Biddle tells us existed only by the forbearance of the Bank of the United States) are not pressed to pay these balances in gold and silver? The great regulator dare not do it. It would break some two or three State banks; confidence would vanish; runs would be made on many other State banks, which, having little or no specie, pay out till they break; the notes of the United States Bank are then poured in upon it for specie, and it must break all the banks, and ruin the country by pressure and

curtailments, or suspend also. The whole system is founded, not on a specie basis—for it is not there, in any of the banks, State or national—but upon confidence that all these notes are convertible into specie upon demand; and whenever a convulsion comes this confidence in all bank paper is shaken; it is presented for redemption in specie; it cannot be redeemed; the delusion vanishes, and ruin ensues. This state of things will be constantly recurring under the dominion of a national bank as well as without it. But if, when after the veto, and when this eighty millions of specie was coming into the country, the paternal recommendation of President Jackson, to abolish all bank note circulation under twenty dollars had been heeded, and this policy adopted by the States, we should now be prosperous and happy, with at least forty millions more of gold and silver, and greatly less bank paper; and, until this and other necessary reforms of banking abuses are established by the States, a resumption of specie payments will be but the signal for new and successive explosions, approaching nearer and nearer in time, and augmenting in extent and intensity of suffering. Silver will never circulate to any extent where notes under five dollars are permitted; and gold will never circulate to any extent where notes under twenty dollars are issued. This is taught us, not only by the soundest philosophy, amounting to absolute moral demonstration, but also by the experience of every nation of Europe and of the world. This, then, should be the commencement of the great reform, to be carried onwards and upwards by the States, by every constitutional means, as rapidly as can be done by wise, cautious, gradual, and successive movements, uninfluenced by passion or prejudice, up to the point of absolute security. Great will be the resistance of the banks and banking power, but greater still should be the efforts of a disinterested people. The continuance of such a system renders all the toil, and labor, and products of industry perfectly useless; for, when the balance returns in our favor from abroad, even in gold and silver, it is only to find its way into the vaults of the banks, that these our paper masters may make these metals the foundation of new emissions—new over-issue, and new explosions. If any can doubt this last result, let them reflect upon this, which is a fixed law of the monetary system, that when great expansion of bank issues, whether in the paper of national or State banks, takes place here, prices of all products or articles consumed here rise also; exports remaining unaffected in price by this event. And what follows? Why the value of money being less here, and prices higher than in foreign countries, where no expansion of the currency has taken place, the course of exchanges rises against us in nearly the ratio in which specie, the universal standard, will buy more in the foreign country than in our own; specie comes not here, for it is sunk here to the level of our yet convertible bank paper. But prices of almost every article being much higher here than abroad, vast importations, beyond the power of the country long to consume, necessarily ensue; our bank paper is forced upon the banks for redemption in specie, to be shipped abroad, where it is more valuable than here; and explosion soon follows. So certain and unerring is this rule that, instead of there being written on the face of all our bank notes a promise to pay in specie on demand, the promise should be, if truth were consulted, not to pay on demand in specie in the contingency above described, and shown to be inevitable.

A national bank, we have seen, can neither regulate nor control the system. It can only banish specie from this country, and make the banks weaker when the explosion comes, and in such a crisis will ever be found endeavoring to sustain itself by crushing the State banks and the people.

It was with no ordinary pleasure that I hailed the vote of yesterday in this body rejecting, by more than two to one, the proposition to create any bank of the United States. With equal pleasure I have seen the vote of the House, virtually rejecting, by a majority of thirty-three, the same proposition. I congratulate the country upon this great and glorious result. It is the triumph, we trust, the final triumph, of liberty over bank panics and bank power, and is worthy to be proclaimed from this chamber. It is the great, the real relief measure of this session; and now, when the battle by the friends of a bank is fought and lost, if they, on their return to their constituents, will tell them, and tell them truly, that there is not, under any circumstances, the slightest hope of procuring the establishment of a national bank; that no panics or pressures can produce this result; that the continued agitation of this question can only prove injurious to all classes, and especially to that great interest by which chiefly this measure has been so strongly pressed upon us—they will give repose to the country, and the light of returning prosperity will soon dawn upon us.

There was one remark made yesterday by the Senator from Kentucky, which I heard with peculiar pain and mortification. He told us that the question that bank or no bank of the United States was a question of union or disunion. And has it come to this, that the bank power, having failed by panics and pressures to extort a charter from an oppressed community, now openly threatens, in this chamber, the union of the States? Are we to be told that a bank is necessary to the existence of this Union; and that, unless a bank is chartered, the Union will be overthrown? And is it indeed a fact, that the conflict must come between the friends of a bank on one side and the friends of the Union without a bank on the other? Let that contest come when and where it may, I shall be found in the ranks against the bank, and in favor of the Union, supporting the flag of my country, and preferring rather to perish among its friends, than survive and conquer among its enemies. The bank power has now assumed a new and imposing attitude—the attitude of menace and defiance; proclaiming in this Senate chamber, through its able and distinguished champion, that a bank must be established, or the Union will be dissolved. No, sir, no. This Union fans the vital spark of liberty itself; it is the very breath in the nostrils of this republic; and no bank power can shake or destroy this great confederacy; and, if it could, the argument against the creation of such a power, which could hold in its grasp the existence of the Union, would become more potent and irresistible. If the bank power be indeed equal to the power of the Union, then to create such an institution, is confessedly to transfer to its keeping the existence of the Government itself. And here I cannot withhold the expression of my astonishment that the Senator from Kentucky, who, whatever political errors in my humble judgment he may have committed, has always, and especially upon two critical occasions, signalized his patriotism and devotion to the Union, should now menace that Union with overthrow, if we do not take to our embrace the banking power,

[Mr. CLAY here arose and said, that the respectful manner in which his name had been introduced by the Senator from Mississippi induced him to explain to that Senator that he had not proposed the re-establishment of the present Bank of the United States, much less had he uttered any menaces against the Union; that he had only expressed the opinion that the failure to establish a national bank, which alone could supply a sound and uniform currency, might endanger the Union.]

Mr. WALKER said: I did not state that the Senator from Kentucky had proposed the recharter of the Bank of the United States, for he had proposed generally the creation of a new national bank; nor did I intend to say, or wish to be understood as stating or believing, that the Senator from Kentucky desired a dissolution of the Union; far otherwise; but that Senator had declared that the question of establishing a national bank and a sound currency was a question of union or disunion. This was his very language; for I

was startled and astounded by the declaration, and could view it in no other light than as an open declaration by the great national banking power that it was necessary to the existence of the Union, and, consequently, could uphold or destroy it at its pleasure.

The Senator from Kentucky had informed the country that, during the period of the late administration, every thing but the mere forms of free government had been sacrificed to the Executive will. He told us that the Jackson party in Congress would not have governed the country so badly, had they not yielded their own views to Executive dictation. Among the evidences enumerated by him in proof of this position he was pleased to allude to the case of Mr. Dallas. This gentleman, we were told, had, in 1832, introduced and sustained here the bill rechartering the Bank of the United States, and, after the veto, went home to Philadelphia, and addressed the people in favor of the veto and against the bank, and now held the appointment of minister to Russia. I know Mr. Dallas, and every Senator knows that in his own native Pennsylvania, his name is a passport for all that is honorable in principle, exalted in talent, estimable in benevolence and virtue, and elevated in moral purity of character; and I cannot but regard the assault now made upon him in his absence, as the representative of our country at a far distant court, as most unjust and ungenerous. Mr. Dallas is the distinguished democratic son of an equally distinguished democratic sire, and neither of whom ever bent the knee to Executive or any other power than that of the God that made them. In his statement, the Senator from Kentucky omitted to mention that when Mr. Dallas introduced here the bill rechartering the Bank of the United States, he stated his opposition to any movement upon the subject at that time, and referred to the instructions of the Legislature of his State in favor of the bank, as constituting the ground of his action. True it is that Mr. Dallas had been at one period favorable to the recharter of the bank, with what he deemed proper restrictions and limitations, and so was his State then, as indicated by unanimous instructions; but, when the bank, after the veto, openly came into the field with a candidate, or as a candidate for the Presidency; when it entered the arena of politics as a champion, and sought, by its enormous powers, a conquest over the Government and people of the Union, Mr. Dallas abandoned it to its fate, and did address the people in opposition to its recharter; and if Mr. Dallas changed his views with regard to the bank, it was after the bank changed its position and assumed a new and hostile attitude to the Government and to the people; and Mr. Dallas was followed in this change by the great mass of the people of Pennsylvania and of the Union. Why, then, had the Senator from Kentucky referred to Mr. Dallas's course on this subject, and his subsequent acceptance of the office he now holds from his personal and political friend, President Van Buren? Did not the Senate, at the time, hail this appointment with instantaneous and unanimous approbation? And, in abandoning a most lucrative practice for this station, no sordid or sinister motives could have influenced his choice. The Senator from Kentucky should have seen, in all this, nothing which rendered Mr. Dallas's conduct a just subject for commentary or reproach upon this occasion; and permit me to say that the Senator from Kentucky is the last man in this house, or in this country, who should allude to any change of opinion by Mr. Dallas in regard to the Bank of the United States; for, had not the Senator from Kentucky changed his own views upon this subject, and once denounced the bank in his well-known and eloquent address in this body as most inexpedient, most dangerous to liberty, and grossly unconstitutional. And let me further add, that, if the Senator from Kentucky thinks it a matter of reproach that any individual should have changed his views in regard to the bank, or a bank of the United States, he will embrace in this censure nearly every eminent statesman in America, including the Senator from Kentucky himself, and nearly every member of this body. To have supported at one time the recharter, with adequate limitations, of the Bank of the United States, ere it had entered the arena of politics, and to have abandoned that support when the bank let fall the curtain which concealed its dangerous powers and alarming tendencies, is certainly not one of those extraordinary cases which could justify the Senator from Kentucky in bringing into this debate the name of Mr. Dallas. That gentleman has sustained, at all times, from his youth upwards, the democratic party of his State and of the Union; and there is nothing at all remarkable in his going with that party, in 1832, in support of the bank veto of ex-President Jackson.

But the Senator from Kentucky has also told us, that, after anxious consideration, he believes that the great measure of relief would be a change of rulers; and he seems especially opposed to the re-election to the Presidency of a certain incumbent, whom he describes as five feet eight. No doubt, if another gentleman of six feet one, a gentleman of captivating eloquence, and many excellent social qualities and fine genius, was substituted in place of our present Chief Magistrate, it would be a certain relief to the numerous friends of that gentleman, and a great consolation to himself.

The Senator from Kentucky strongly objects that the President has pledged the veto in certain cases. These cases are the vetoes upon abolition and a Bank of the United States. These two promised vetoes are the great ramparts of the constitution and of the Union. Yes, abolition and the bank are to share the same fate from the President's veto. He has so declared it, and those who heretofore most unjustly represented him to the public as concealing or withholding his opinions, now charge that he expresses his views in advance. Well, sir, the charge of non-committalism, so often and so unjustly urged against Mr. Van Buren, is thus openly abandoned—there is no non-committalism in the message, but all is clear, bold, manly, and direct.

And now, having discussed the question of a national bank, its dangerous tendencies, and its inapplicability as a measure of relief at present—that measure having, at all events, been voted down by a majority of more than two to one in this body—no bank charter being presented by its friends for our consideration, and no one asserting, not even the Senator from Kentucky, that we ought to degrade this Government, by placing it in the attitude of a suppliant for the aid and patronage of the Bank of the United States—the question recurs, what must be done? That something must be done as regards the receipts, safe keeping, and disbursement of the public moneys, all concede; for since the repeal of the deposite bank system, by the failure of the banks to redeem their notes in specie, and pay the Government demands, a contingency upon which the express provisions of the law require that the system should cease, the whole public moneys are left to the unregulated control of the Secretary of the Treasury. That this state of things can be permitted to continue, is denied by all. What, then, is the remedy, other than the system proposed in the bill and amendment now before us? But one other alternative is offered, and that is the currency bill, proposed as a substitute by the able, patriotic, and distinguished Senator from Virginia, [Mr. RIVES.] But here permit me to remind that gentleman that his bill does not meet the case: it makes no provision for the present; it makes no provision for any definite period; it leaves a blank for some day in the year 1838, when the bill is to go into effect; and not certainly, but upon the doubtful contingency of the resumption of specie payments by the banks. Then his system is to apply to the banks resuming specie payments by some unknown day in the year 1838. To my mind the objection to the bill is decisive, that the event contemplated by the bill may never take place, and that, in the mean

time, it leaves the Treasury Department and the public moneys unregulated by law, and necessarily in hopeless confusion. We must make present, substantive, certain regulations; and if it be ever proper to support the bill of the Senator from Virginia, it will be at some future period, when the banks shall have resumed and the measure can go into operation. But I have higher and still stronger objections. I am opposed to reuniting the banks and the Government; and here I shall recur to the facts on this subject. The currency bill now introduced by the Senator from Virginia, (with the exception of one very material modification as to the banks to be included or excluded by the operation of his proviso,) is substantially the same bill which received the sanction of the great mass of the friends of the administration in this body at the last session. The bill was regarded by me, and so declared by me at the time, as supplemental in its operation to the fifth section of the deposite act of June, 1836. That section prescribed that no note of any bank issuing notes under five dollars should be received in revenue payments. The currency bill extended the exclusion to "all banks issuing bills or notes of a less denomination than twenty dollars." No one then proposed the abandonment of the banks as depositories; and I conceived that the currency bill, so long as the deposite bank system was adopted, would, if carried into operation, have the wholesome effect of excluding all bank paper of all banks issuing notes under twenty dollars from revenue payments, with the hope of enlarging greatly the specie, and diminishing the paper circulation. Indeed, I voted for an amendment to the fifth section of the deposite law of 1836, having a similar object in view, when that bill was passed, as appears by the Senate journal, as follows: "June 13, 1836.—The deposite bill being under consideration: On motion of Mr. BENTON to amend the reported amendment, by inserting, at the end of the fifth section, the following: 'and, in selecting and continuing banks as depositories of public money, a preference shall be given to the banks of good credit which shall relinquish the circulation of all paper currency under twenty dollars, and which shall enter into arrangements to promote the circulation of gold.'" My vote is recorded upon the journal in favor of the amendment; but, unfortunately, it did not prevail. The currency bill I considered as aiming at the same object, and, in that view, it received my support.

The deposite banks were then proceeding in full and successful operation, were highly recommended in the President's message, and no one proposed their abandonment at that time as depositories. But does the Senator from Virginia fail to observe that this union then existing between the deposite banks and the Government has been dissolved, and that they have all most lamentably failed, and reduced themselves and the Government to bankruptcy? It is the banks that have changed their course as fiscal agents of the Government, and not those who now oppose the re-union. And here let me ask the opponents of the administration, who so long and loudly denounced the deposite bank system, when it was successful, why have they now changed, and when the system has failed, now yield it their support and countenance? Let me also ask them another question. The national bank project has been voted down in this body by more than two to one, and the question now is between the divorce bill, and the re-adoption of the deposite bank system without a national bank. Now these gentlemen have repeatedly told us that, without the regulation of a national bank, State banks must fail, and fail incessantly. I ask them, then, as patriots, are they prepared to surrender the destinies of their country, and all its resources, to the safe-keeping of banks which they themselves admit must and will fail, and, of course, reduce the Government again to bankruptcy? And is any Senator prepared to readopt this system? What assurances can he give that before another year we may not again be called here by the same causes which have now assembled us, viz: the failure of the banks and bankruptcy of the Government? Sir, if we renew this system, instead of our issuing commissions of bankruptcy against the banks, the banks can issue a commission of bankruptcy against this Government at their pleasure, or even against their consent, by a forced suspension. But, what is infinitely worse, our national honor may be tarnished, and our Federal Government disgraced, whenever the Bank of England, by successive expansions of American credit to American houses, produces overtrading and overbanking here, and then, by a sudden withdrawal of that credit, causes first mercantile, and then bank failures, and thus arrests the operations of the Government.

The history of one bank panic proves this important fact. When the currency has been inflated by the banks here, and our credit pushed into England, and importations made to an extent heretofore unknown, the Bank of England interposes—it suddenly withdraws the accustomed facilities from the great American houses. The English private and joint stock banks, and the money lenders, follow in the wake, and the American stocks can no longer be sold, as formerly in the English market, or American bills discounted. The Bank of England goes on curtailing; there is a terrific fall in the price of cotton, and a pressure for money ensues in England. The letters of credit given by the English to American merchants are withdrawn, and the latter is thus deprived of the expected facilities of meeting his acceptances at maturity; one of his bills is at length protested, and the failure here of some great mercantile firm is announced to the world; another, and yet another folfollows; confidence vanishes; a panic ensues; credit is destroyed; the distrust becomes general; the most solvent merchants cannot negotiate even the best securities; more bills are protested; the panic goes on augmenting; there is a general fall of the prices of all property and all products; the mercantile failures become almost universal, the failure of a few firms bringing down many others, and all the endorsers for them. The banks which had discounted so many fictitious mercantile acceptances, can no longer procure payment. The suspicion extends to them; there is a run upon them for specie; it continues and increases; some one of the banks suspends specie payments; there is a run upon all, and finally all join in the general suspension. Specie rises in price, and bank notes depreciate; capital retires during the general panic; specie is hoarded, and no one will lend money to any one, except a few brokers and shavers at exorbitant and ruinous discount, and property and products can scarcely be sold at any price for cash. And now hundreds who so lately in their paper credit balloons had been traversing both continents, the wonder and envy of the world, are seen thus suddenly to fall from the heavens, without even a parachute to bear to the earth these most unfortunate æronauts. This is the history of a real bank panic, and it continues till labor and its products come to the rescue, and gradually repair the injury which over-trading and over-banking had done. The banks now call in their issues, and, by the ruin of thousands, are at length enabled to resume specie payment; the solvent banks and individuals are separated from the bankrupt; confidence is gradually restored; the banks begin to reissue their paper; prices rise slowly at first, but at length more rapidly; the banks, eager to increase their profits, over-issue again; over-trading ensues, till a reaction takes place as before, and the same disasters follow. Such is, and will be, the history of successive bank panics. And is the security of the people's Government to depend upon the fluctuations of such a system as this? Must the Treasury become bankrupt and Congress be convened whenever the banks think proper to suspend specie payments, and withhold the Government deposites? Is the credit of this Government to rise or fall with that of the banks, and the Treasury be re

duced to bankruptcy, whenever the banks so determine, or rather, when the Bank of England so determines? for we have seen that this bank, by stimulating at one time the credit of the English houses and bankers connected with the American trade, and then suddenly withholding that credit, can produce extensive failures here, and the suspension of specie payments by the State institutions. And can any patriot be willing that this Government should owe its revenue, its very existence, to the Bank of England, or even to our own banks? Let commercial credit rise or fall as it may; let the banks lose or maintain their credit, this Federal Government, the only bond of our Union, should never be permitted to fail, whenever bank panics or pressures assail us. Nor should it be forgotten that the danger increases at every step of our progress—that every epileptic fit renders the banks weaker and weaker, and public confidence more tremulous, and must necessarily render these bank failures more and more frequent and extensive, until soon, under the continuance of the existing system, Government and bank failures will become as frequent as mercantile failures, and our credit will be no better than theirs. And if the danger is great in peace, how infinitely greater in war? Who can reflect with complacency, that but a year or two past we might have been engaged in a terrible conflict with one of the greatest Powers of Europe, and at the same time the failure of deposite banks might have deprived this Government of the means of raising and equipping our forces, either by land or sea, till our coast was ravaged, and our cities and capital reduced to ashes. In peace we should always be prepared for war; and we cannot thus be always ready, if our money is placed beyond our control, loaned out by banks that cannot refund when the Government most requires it.

But we are asked to try this experiment again, by endeavoring to confine the deposite banks, and all others whose notes shall be received in revenue payment, to the issue of no notes under twenty dollars. By striking out twenty, and inserting five dollar notes, this would be but trying again the same experiment which has already failed. The fifth section of the deposite bank law confined the issue of the notes to five dollars. It failed. And now, when we cannot, by the mere incidental effect of our Treasury regulations, succeed in enforcing and maintaining the five-dollar principle, how could we hope for such influence over the banks as to induce them to abandon the circulation of all notes under twenty dollars? To their masters and creators, the States, we must look for a reform of the system.

But the Senator from Kentucky tells us that the bill under consideration would increase Executive patronage. Now, the bill creates no additional officers; it gives to the President no additional control over the existing officers; it merely imposes additional duties upon existing officers, requiring them not only to receive, but to keep safely, without use or loan, till the period of disbursement, the public moneys. I can see here no increase of Executive patronage. But this question must be examined by comparison with the proposed substitute, namely, a re-adoption of the deposite bank system. Now, no argument has heretofore been more strongly urged by the opponents of the administration, than the vast and increasing patronage the deposite bank system would confer upon the President of the United States. These banks were denominated pet banks—the President's banks—and again and again was it said that the late President desired to retain the surplus in these banks, (these miserable deposite banks, as they were then expressly called by the Senator from Kentucky,) with a view to influence the approaching election. Nor was this argument confined to this chamber; but in the House of Representatives, at the last session, a committee was raised by the opposition to prove, among other things, the corrupt and corrupting influence of the deposite bank system, as connected with the agent of that system, and the Treasury Department. It would be really amusing to read some of the speeches of the opposition members at that period, denouncing the corrupting influences of the deposite bank system, and the vast patronage it conferred upon the Secretary of the Treasury. I have not time to read these speeches to the Senate; but, from the documents presented by this committee, I will refer to two letters by them published. The first is from the cashier of the deposite Bank of Burlington, Vermont, under date of January 25, 1836. The cashier says: "Being located in the same place where a branch of the United States Bank was established, and as we are a deposite bank, when the branch here discontinued its operations, the public seemed to expect that we could at once afford the same facilities and accommodations that they enjoyed when the branch was doing business. There has been, on the part of our directors, a desire to meet this expectation; and the consequences has been that a very sensible change has taken place, politically, in favor of the Government: and, as it is our desire to strengthen that sentiment, we feel that it is important to afford our farmers and merchants, the coming spring, a pretty extensive accommodation, in anticipation of the wool clip."

Here the sensible political change in favor of the Government, produced by this bank depository, is clearly stated, and the importance of augmenting it, by enabling the bank to discount more freely on the Government deposites, is strongly urged by the cashier of the bank. I might detain the Senate for weeks by quotations from similar letters; but only make one other reference. It is to the letter of the president, directors, and cashier of the Seventh Ward Bank of New York to the Secretary of the Treasury, dated December 16, 1833, and is as follows:

"We, the subscribers, officers and directors in the Seventh Ward Bank, in the city of New York, friends of the administration, and of the revered chief at the head of the Government, do solicit a portion of the fiscal patronage of the United States Treasury for the Seventh Ward Bank; the terms as those most favorable to the Government."

Can any man peruse this letter without feelings of loathing and disgust?—yet it is from fourteen of the most respectable bankers of our great commercial metropolis. Does it not demonstrate the dangerous tendencies and influences of this deposite bank system? An entire bank, through all its officers and directors, soliciting "a portion of the fiscal patronage of the United States Treasury," on the grounds that they were "friends of the administration!" This report, published in March last, containing these documents, I never perused till after the close of the last session of Congress. The deposite bank system, it is well known, in Mississippi was, in its origin, no favorite measure of mine; in fact, it was the first measure of our patriotic President to which I had ever expressed any dissent; and I only afterwards gave it my reluctant assent as an alternative to what the developments of the spring of 1834 demonstrated to be a greater evil, and still more dangerous measure, the establishment of any bank of the United States. But who can peruse these letters, and deny, in the face of the American people, that this deposite bank system did enormously increase the power and fiscal patronage of the Government, and that in the hands of a corrupt Secretary, and aspiring President, it might be made a political engine of the most dangerous and alarming character? That it was not so used, or attempted to be used, by our venerable President, or incorruptible Secretary, is proved by the documents accompanying the reports to which I have referred; but that it was susceptible of such abuse is also as clearly demonstrated. And what is the extent of this "fiscal patronage?" Why, by the last return of the Secretary of the Treasury we see, under the last law, the number of deposite banks increased to eighty-nine, with upwards of eighty millions of capital, and discounts of notes

and bills of exchange amounting to one hundred and thirty millions of dollars; and this immense moneyed power was subjected to the influence and control of the Secretary of the Treasury: for the whole bank correspondence will clearly demonstrate that many of these banks, from time to time, owed their very existence to the forbearance of the Secretary of the Treasury, and that often a Treasury draft or transfer warrant would have reduced them to a state of bankruptcy. True it is, that all of the deposite banks could not thus have been destroyed by the Secretary; yet the profits of all would be greatly influenced by the amount of revenue he deposited with, or withdrew from them. What, then, was this power? It was a power over eighty-nine of the strongest confederated banks in the Union, with this enormous amount of loans and capital, and with stockholders, debtors, and customers, at least one hundred thousand in number, all affected by the movements of the Secretary of the Treasury in the distribution or withdrawal of the deposites. In May last, the Secretary of the Treasury had necessarily distributed among these institutions more than thirty millions of public deposites. What a tremendous extent of power and patronage! Why, sir, it was almost the lever of Archimides; and, if this system had gone on progressing and augmenting, soon, very soon, the banks, by their power, must have controlled the Government, or the Government controlled the banks. And now, when the President proposes to surrender all this money, and power, and patronage, to dissolve this dangerous connexion between the banks and the Government, shall he be opposed in this measure by those who so lately denounced the whole deposite bank system as the very climax of political corruption? And what do we see now? Why, this career of illimitable discounts by banks on Government deposites is closed for the present, and the still more dangerous attitude is exhibited, in which it is but too probable that very many of the banks may soon be sued by the Government to recover the public moneys, or rather the States that own in whole or in part so many of these banks, and the debtors that owe them; for, as the banks can only collect their moneys by suits against their debtors, to sue the banks at present is to sue the people. It was in view of this state of facts that I succeeded, a few days since, in prolonging the time given to the deposite banks to make payment to the Government from two, five, and eight, to four, six, and nine months, being the longest extension I could obtain for them; and, upon payment of the first instalment, the two last ought to be, and I hope will be, still further prolonged at the next session. But I could not but feel humiliated by the reflection that so many of my most worthy constituents—including two of our largest State institutions, and the State itself the principal proprietor of one of them—should be placed in a position in which a suit against any of them could in any event be resorted to—a position arising out of this most unholy connexion between the banks and the Treasury—a connexion of unmixed evils, disastrous to the banks, the States, the people, and the Government.

Well, then, may the Senator from South Carolina, [Mr. CALHOUN,] who has on this floor so repeatedly opposed the augmentation of Executive power—well may he support the bill now under consideration; because it not only adds nothing to Executive patronage, but takes from it that alarming patronage and power that it could have acquired through the deposite bank system. Sir, the Senator from South Carolina is right; and I hail him back with pleasure, on this question, to the ranks of the democracy, of which he was so long the pride and ornament, when in March, 1824, I assisted in the great democratic convention of my native State in nominating him upon the Jackson ticket for the second office in the gift of the people. Sir, if he can go no further with us, let him at least aid us in breaking down this overshadowing Executive power, this dangerous and corrupting fiscal patronage, growing out of this unhallowed confederacy of bank and State, throwing aside all other considerations, and sacrificing his personal prejudices on the altar of his country's good. Sir, I have heard much about Executive patronage as lurking in some of the features of this bill; but if it be so, it must be deeply concealed indeed, for no one has pointed out how it is accomplished. Vague and general denunciation we have indeed had, but how one iota of power or patronage will be conferred on the President by this bill, in addition to that which he already possesses, has not been designated; but were it so, the bank patronage, of which this bill deprives him, would be infinitely greater. The receivers, who are made depositories for safe-keeping only until disbursement, were already depositories until the transfer of the public moneys to the banks; and this bill only dispenses with one class of this double set of depositories—the banks. The machinery was thus made more complex and dangerous. The money collected by the Government from the people was not loaned out to the people who paid it, but deposited with banks, to be loaned out by them to bank favorites, and to increase the dividends of a few incorporated stockholders. The people were taxed for revenue, to be converted into bank capital, stimulating their over-issues, and rendering their condition more fluctuating and precarious. The fluctuation of banking business is bad enough under any circumstances. Why, then, should we augment their natural tendency to over-issue by Government deposites? Will not the banks issue enough of paper without this artificial stimulus? Why, then, should the Government inflate their issues, and drive them on more rapidly to explosion? Why not let them bank upon their own capital and their own credit, without depending upon the Government for both—for capital in Government deposites, and for credit in Government endorsement for all their notes, as receivable in revenue payments? Is it not seen that the most insolvent bank in the Union might thus be puffed by the Government into great and extensive temporary importance, and then, when the Government patronage was withdrawn, their depreciated paper fall dead and worthless in the hands of an unsuspecting community?

The President's message is against the extension of Executive patronage. Its cardinal doctrine is this: "A limitation of the expenses of the Government to its actual wants, and of the revenue to those expenses." This, then, is the President's doctrine, openly avowed in his message—reduce your expenses, reduce your revenues. This was the flag under which I have fought ever since entering this chamber; it is the flag under which I opposed your extravagant bills for local and sectional improvements; it is the principle I espoused at the first session of my service, contained in my resolution to reduce the revenue from the tariff and public lands to the wants of the Government. It is the great principle contained in the land bill proposed by me, reducing to settlers the price of the public lands, and confining the sales to them; it is the great principle upon which I relied for the reduction of the tariff, and especially the abolishing of the duty upon salt, that most odious duty upon light and heat, in forming salt from solar evaporation; and, lastly, it is the great principle upon which, at the first as well as the last session, I opposed, in every form, the surplus distribution policy, that mother of tariffs, banks, and of the very catrstrophe which now overwhelms us. Reduction of the expenses and of the revenue, economy in all public expenditures, and no "interference with the pursuits of the citizen." "No special favors to individuals or any classes of them, to create systems of agriculture, manufactures or trade." These are the doctrines of the message; and do they enlarge Executive patronage? How is Executive patronage enlarged? It is chiefly by extending the powers of this Government, and augmenting its revenues; for every increase of the

powers and revenue of the Government, is an augmentation of the power of the Executive functionary. This the message avoids; but what measures would the Senator from Kentucky give us to reduce Executive patronage? His policy would give us a quadruple alliance between the surplus, the bank, the tariff, and internal improvements, all certainly tending to, and terminating in, a national debt, to create a new tariff. The tariff to regulate the whole industry of the whole people of the Union, and build up vast manufacturing establishments by the extension and perversion of the taxing power of this Government. A great national bank, to grow rich upon the revenue deposited from the proceeds of the tariff, deriving its profits from Government moneys, and, of course, the ally of the administration which feeds and created it. The internal improvement policy, growing and extending with the increase of the tariff, and making roads and canals in some favored States, by taxes collected from the whole people; and, lastly, to give universality to the principle, the surplus—the annual surplus for distribution, from sales, by townships and counties at an entry, to speculators in the public lands—a system calculated to debauch and corrupt the States; to break down every feeling of State independence; to feed them annually, from the public Treasury, mere stipendiaries upon our bounty; supporting even their State Governments and State officers from the revenues of this Government. And at the head of this mighty system, this consolidation of all powers in this Government, would stand the Executive of those powers—the President of the United States, a monarch in every thing but a name, And, sir, this league of State banks, confederated by the Government, and fed by the tariff, increasing its deposites and profits, would be the next most potent ally of these systems. It would station some hundred bank fortresses throughout the States, armed and equipped by Government deposites, and extending Executive power and influence. All this President Van Buren would avoid. No, sir, no; it is not the principle or policy of this administration—Give us patronage and we will make ourselves popular.

But it has been said that this bill establishes, in fact, a Treasury bank. And why? Because, although these depositories can neither use nor loan the public moneys, where disbursements are to be made at distant points, to avoid the expense and patronage arising from a new army of officers, constantly engaged in transporting the specie, drafts in payment of its dues may be drawn by the Government on these distant depositories—drafts drawn on actual deposites of gold an silver; and this is called a Treasury bank, and that too, by the advocates of the deposite bank system, by which Treasury drafts, checks, and warrants upon and by the banks may he drawn upon and by the deposite banks in the transactions of the Government. It is true, these drafts will constitute the best exchange in the world, and thus far operate incidentally for the great convenience and benefit of the people; but this is no objection to the system, for the Government neither loans nor discounts, but simply pays the public creditor in gold and silver, or an order upon a depository, on which he receives the specie.

But it is said this bill, separating the Government from the banks, will divorce the Government from the people. Are the banks the people? No, sir; this bill will elevate the people, and the Government of the people, and of the States, above the banks, and prevent them from arresting the Government, as they now do, by withholding the public revenue. It will have a still greater tendency to elevate the people above the banks, by diminishing, by its incidental operation, the amount of bank paper, and increasing the circulation of gold and silver—for the payment of it into the Treasury will be as constantly flowing out, enriching and fertilizing the whole country.

But the Senator from Virginia [Mr. RIVES] says this bill will furnish one currency for the Government, and another for the people. Is it contended that the Government should take and pay out the broken bank notes and local shinplasters, because the people take them? No: the Senator from Virginia does not propose this, but only that we should receive the notes of banks that resume specie payments under the existing law. Now, what is that law? I find it embraced in the Senate journal under date of the 6th of April, 1836, as follows:

"The Senate resumed the consideration of the bill entitled 'An act making appropriations for the payment of the revolutionary and other pensioners of the United States, for the year 1836.'

The following amendment, proposed by Mr. BENTON, being under consideration:

SEC.—. *And be it further enacted,* That no bank note of less denomination than twenty dollars shall hereafter be offered in payment in any case whatsoever in which money is to be paid by the United States or the Post Office Department; nor shall any bank note, of any denomination, be so offered, unless the same shall be payable, and paid, on demand, in gold and silver coin, at the place where issued, and which shall not be equivalent to specie at the place where offered, and convertible into gold or silver upon the spot, at the will of the holder, and without delay or loss to him."

This provision was adopted, and is the law: the vote in the Senate being yeas 22, nays 13, my own vote being recorded in its favor. Now this is the law, and the Senator from Virginia does not propose to change it. Now, are these bank notes that the Senator from Virginia would permit the Government to pay out and receive, actually "equivalent to specie, and convertible into gold or silver on the spot at the will of the holder, and without delay or loss to him?" Then the result of the law, as that Senator would have it remain, is the same in its operation in this respect as the bill now before us: gold and silver, or its full equivalent, being the effect of either system. But if this be not so, and these bank notes be in fact a baser currency than gold or silver, what right or power has this Government to force this baser currency upon the people by public disbursements, when this Government can make nothing but gold or silver a legal tender in the payment of debts? No, sir: the operation of this bill will be to improve the currency of the whole people by its incidental effects in diminishing bank paper issues, and enlarging, at least to that extent, the general circulation of gold and silver. But the deposite bank system will, indeed, force a doubtful and uncertain bank paper circulation upon the people, convertible into specie one day, and inconvertible and depreciated tomorrow.

We have have been told that the terms divorce of Bank and State, as reminding the people of the divorce of church and State, are popular catchwords. I have not used these terms, although I firmly believe that the union of bank and State would as soon prove as fatal to liberty as the union of church and State; but, let me ask, are not the terms used upon the other side—one currency for the people, and another for the Government, and the terms separating the Government from the people, mere popular catchwords, which will not bear, as we have seen, the slightest examination. It is said this bill will destroy credit, by impairing confidence in banks. Have not we had too much confidence in banks, and have they not proved the greatest and universal destroyers of all credit and all confidence? Yes, these very banks, by their expansions, contractions, and failures, destroyed all confidence and all credit, not only in themselves, but also between man and man, and almost between nation and nation. It is the banks that render prices, confidence, and credit, fluctuating and uncertain; and, before their existence, the page of history tells that confidence and credit, between man and man, were infinitely more universal, and that protest of bills of ex-

change and mercantile failures were then almost wholly unknown. Specie was not hoarded, nor credit withheld from honest industry, but universally extended, unchecked by that overthrow of all confidence and all credit, arising from expansions, contractions, and explosions of the bank paper system. We are told that confidence, confidence, is the magic word, and the Government has only to breathe into these banks the breath of confidence, and all will be well. Sir, if these banks, limited and restrained by the State Legislatures, ought to be continued, I would rather, by the ultimate incidental operation of this bill, push a little more of their paper out of circulation, and much more specie into the vaults, than all the false and delusive confidence that could be excited by the Government endorsement of eight hundred and twenty-three suspended State banks.

This Government's endorsement, with its mighty surplus deposited in State banks, has been the fruitful cause of nearly all our disasters, and I shall never attempt to renew them by re-adopting the system from which these evils flowed. The danger is not of our having too few banks, and too little paper, but precisely the reverse. To repress this evil tendency, should be the ultimate aim of every patriot statesman. It is too many banks, and too much paper, that has involved us in too much debt, and more banks and more bank paper would only aggravate the evils.

The State banks, so far as regards their mere discontinuance immediately as Government depositories, will be precisely where they were before the removal of the deposites. And as to the exclusion of bank paper from revenue payments, it takes effect only in full on the 1st of January, 1842. The bill proceeds, as regards its operation on bank paper, by wise, salutary, cautious, and progressive steps, keeping in view the existing difficulties, and the necessity of abstaining from any measure calculated to injure or embarrass the people. The operation of this measure upon the banks is much less than is generally supposed. It is much less than the regulating and checking power claimed for the United State Bank; for that, if faithfully executed, would demand weekly balances in gold and silver, or its equivalent, from all the State banks, not only for "their notes received in revenue payments," but also for "their notes received for the engagements to the bank," creating thus a double check upon their issues.

I have shown that this article never was or would be faithfully executed; but the precise ultimate effect upon State banks of this measure would be this: Supposing the annual public revenues to be twenty millions of dollars, of which six millions would be the average amount in Treasury depositories received for public dues, the banks would be required to check their issues so as always to be ready to furnish six millions of specie annually for revenue payments. Now, the entire moneyed transactions of this country in a year are estimated at twelve thousand millions of dollars, so that if the demand of the Government upon the banks for six millions be the criterion, it will be equal only to less than one per cent. of the moneyed transactions of the whole country; or if twenty millions, to less than two per cent. of these transactions, leaving all this vast field of trade and business open for the action of the banks. They lose the Government deposites and Government credit, and are left to bank, as they ought, on their own capital and their own credit. But what is most important in separating the banks and the Government, is the separation of money, business, and politics, the fatal union of which must always be the fruitful source of panics and pressures.

Whilst, then, this measure, I sincerely believe, will have a most beneficial effect upon the whole country, it is to me an inexpressible gratification, that to the sunny South it will prove a fountain of wealth and prosperity. The war of over-expanded credit upon labor and its products, aided by a great national bank at some distant capital, or by the concentration at or near the same point of the great northern banking capital, sustained by the Government deposites and endorsements, must cease, and paper credit and the products of labor left a fair field, without artificial aid, will find labor and its products rising in the scale of importance and influence, and leaving the great staple States a fair opportunity of carrying out their own exports, and introducing their own imports, and the balances in gold and silver, the real, solid, substantial business of their banks being more safely augmented than all the ruinous aid they can ever receive from Government patronage. And now, sir, if the distinguished Senators opposed to the administration on this floor will go home to their constituents, and explain the full and precise effects of this measure, they can, in aiding the establishment of a sound credit on sound principles—aiding in inspiring a just confidence in the relief this great measure will ultimately extend to all the great interests of the country—they can have almost a moneyed millenium dawn upon the country at once. I appeal to them, then, as patriots, with hearts overflowing with sympathy for the distress of the country, as we have so repeatedly heard on this floor, to unite with us in producing this great, this glorious result; and the thanks of millions of grateful freemen will give them more real happiness, more genuine consolation, and more true and durable applause than all the party triumphs that could adorn the proudest political conquerors. Let them imitate the noble example of the distinguished Senator and statesman from South Carolina, in laying down, in support of this bill, his personal and political prejudices, as a burnt offering upon the patriot's altar of his country's good, and for them, also, the swelling heart of a mighty nation will throb with love and gratitude. But should they esteem it their duty to determine otherwise—should their inspiring eloquence and great intellectual power be exerted in appeals to the people against this measure—should it be represented as a tropical tornado, about to sweep in its destructive career over all the great and cherished institutions of our common country, panics and pressures may follow for a time; but soon, yes, very soon, the great principles involved in this bill must and will triumph, and it will then go forth with healing on its wings, hailed by the approving voice of the people. The measure itself will be justly viewed as a third declaration of American independence, and the day of its passage be celebrated in all time to come as a great and glorious national jubilee.

When Mr. W. had concluded,

Mr. HUBBARD proposed, as an amendment, that the words "1st January" in the bill, wherever occurring, be stricken out, and the "31st day of December" be substituted. This amendment was adopted.

[The effect will be to postpone the operation of the bill one year.]

Mr. BENTON offered as a separate amendment, to insert the following: "That it be the duty of the Secretary of the Treasury to cause regulations to be made for the speedy presentation of drafts, wherever payable, and that if any delay should take place in the payment of the same, they may be presented in any other place within the United States."

The amendment was laid upon the table, and ordered to be printed.

Mr. CRITTENDEN then rose and addressed the Senate about an hour in opposition to the bill.

Mr. RIVES inquired of the Chair when his amendment would come up, which went to strike out all after the enacting clause, and to insert as a substitute his bill.

The CHAIR stated that the question would first be taken on the amendment offered by Mr. CALHOUN, after which, whatever might be the fate of that amendment, whether adopted or rejected, the question would be in order on Mr. RIVES's amendment.

On motion of Mr. WEBSTER, the Senate adjourned.

THURSDAY, SEPTEMBER 28.

THE SUB-TREASURY BILL.

After the presentation of one or two private petitions, the Senate proceeded to the orders of the day, and resumed the consideration of the bill providing for the collection and custody of the public revenue, together with Mr. CALHOUN's amendment thereto.

Mr. WEBSTER rose and addressed the Chair as follows:

Mr. President: I am opposed to the doctrines of the message, to the bill, and to the amendment of the member from South Carolina, [Mr. CALHOUN.] In all these, I see nothing for the relief of the country; but I do see, as I think, a question involved, the importance of which transcends all the interest of the present occasion.

It is my purpose to state that question; to present it, as well to the country as to the Senate; to show the length and breadth of it, as a question of practical politics, and in its bearing on the powers of the Government; to exhibit its importance, and to express my own opinions in regard to it.

A short recital of events and occurrences will show how this question has arisen.

The Government of the United States completed the forty-eighth year of its existence, under the present constitution, on the third day of March last. During this whole period, it has felt itself bound to take proper care of the currency of the country; and no administration has admitted this obligation, more clearly or more frequently, than the last. For the fulfilment of this acknowledged duty, as well as to accomplish other useful purposes, a national bank has been maintained for forty, out of these forty-eight years. Two institutions of this kind have been created by law: one commencing in 1791, and limited to twenty years, and expiring, therefore, in 1811; the other commencing in 1816, with a like term of duration, and ending, therefore, in 1836. Both these institutions, each in its time, accomplished their purposes, so far as currency was concerned, to the general satisfaction of the country. But before the last bank expired, it had the misfortune to become obnoxious to the late administration. I need not, at present, speak of the causes of this hostility. My purpose only requires a statement of that fact, as an important one in the chain of occurrences. The late President's dissatisfaction of the bank was intimated in his first annual message, that is to say, in 1829. But the bank stood very well with the country, the President's known and growing hostility nothwithstanding; and in 1832, four years before its charter was to expire, both Houses of Congress passed a bill for its continuance; there being in its favor a large majority of the Senate, and a larger majority of the House of Representatives. The bill, however, was negatived by the President. In 1833, by an order of the President, the public moneys were removed from the custody of the bank, and were deposited with certain selected State banks. This removal was accompanied with the most confident declarations and assurances, put forth in every form, by the President and the Secretary of the Treasury, that these State banks would not only prove safe depositories of the public money, but that they would also furnish the country with as good a currency as it ever had enjoyed, and probably a better; and would also accomplish all that could be wished, in regard to domestic exchanges. The substitution of State banks for a national institution, for the discharge of these duties, was that operation, which has become known, and is likely to be long remembered, as the "experiment."

For some years all was said to go on extremely well, although it seemed plain enough to a great part of the community that the system was radically vicious; that its operations were all inconvenient, clumsy, and wholly inadequate to the proposed ends; and that, sooner or later, there must be an explosion. The administration, however, adhered to its experiment. The more it was complained of the louder it was praised. Its commendation was one of the standing topics of all official communications; and in his last message, in December, 1836, the late President was more than usually emphatic upon the great success of his attempts to improve the currency, and the happy results of the experiment upon the important business of exchange. But a reverse was at hand. The ripening glories of the experiment were soon to meet a dreadful blighting. In the early part of May last, these banks all stopped payment. This event, of course, produced great distress in the country, and it produced also singular embarrassment to the administration.

The present administration was then only two months old; but it had already become formally pledged to maintain the policy of that which had gone before it. The President had avowed his purpose of treading in the footsteps of his predecessor. Here, then, was difficulty. Here was a political knot, to be either untied or cut. The experiment had failed, and failed, as it was thought, so utterly and hopelessly, that it could not be tried again.

What, then, was to be done? Committed against a bank of the United States in the strongest manner, and the substitute, from which so much was expected, having disappointed all hopes, what was the administration to do? Two distinct classes of duties had been performed in times past by the Bank of the United States; one more immediately to the Government, the other to the community. The first was the safe-keeping and the transfer, when required, of the public moneys; the other the supplying of a sound and convenient paper currency, of equal credit all over the country, and every where equivalent to specie, and the giving of most important facilities to the operations of exchange. These objects were highly important, and their most perfect accomplishment by the experiment had been promised from the first. The State banks, it was declared, could perform all these duties, and should perform them. But the "experiment" came to a dishonored end in the early part of May. The deposite banks, with the others, stopped payment. They could not render back the deposites; and so far from being able to furnish a general currency, or to assist exchanges, (purposes, indeed, which they never had fulfilled with any success,) their paper became immediately depreciated, even in its local circulation. What course, then, was the administration now to adopt? Why, sir, it is plain that it had but one alternative. It must either return to the former practice of the Government, take the currency into its own hands, and maintain it, as well as provide for the safe-keeping of the public money by some institution of its own; or else, adopting some new mode of merely keeping the public money, it must abandon all further care over currency and exchange. One of these courses became inevitable. The administration had no other choice. The State banks could be tried no more, with the opinion which the administration now entertained of them; and how else could any thing be done to maintain the currency? In no way but by the establishment of a national institution.

There was no escape from this dilemma. One course was, to go back to that which the party had so much condemned; the other, to give up the whole duty, and leave the currency to its fate. Between these two, the administration found itself absolutely obliged to decide; and it has decided, and decided boldly. It was decided to surrender the duty, and abandon the constitution. That decision is before us, in the message, and in the measures now under consideration. The choice has been made; and that choice, in my opinion, raises a question of the utmost importance to the people of this country, both for the present and all future time. That question is, whether Con-

gress has, or ought to have, any duty to perform in relation to the currency of the country, beyond the mere regulation of the gold and silver coin.

Mr. President, the honorable member from South Carolina remarked, the other day, with great frankness and good humor, that, in the political classifications of the times, he desired to be considered as nothing but an honest nullifier. That, he said, was his character. I believe, sir, the country will readily concede that character to the honorable gentleman. For one, certainly, I am willing to say, that I believe him a very honest and a very sincere nullifier, using the term in the same sense in which he used it himself, and in which he meant to apply it to himself. And I am very much afraid, sir, that (whatever he may think of it himself) it has been under the influence of those sentiments, which belong to his character as a nullifier, that he has so readily and so zealously embraced the doctrines of the President's message. In my opinion, the message, the bill before us, and the honorable member's amendment, form, together, a system, a code of practical politics, the direct tendency of which is to nullify and expunge, or, perhaps, more correctly speaking, by a united and mixed process of nullification and expunging, to abolish a highly important and useful power of the Government. It strikes down the principle upon which the Government has been administered, in regard to the subject of the currency, through its whole history; and it seeks to obliterate, or to draw black lines around, that part of the constitution on which this principle of administration has rested. The system proposed, in my opinion, is not only anti-commercial, but anti-constitutional also, and anti-union in a high degree.

You will say, sir, that this is a strong way of stating an opinion. It is so. I mean to state the opinion in the strongest manner. I do not wish, indeed, at every turn, to say, of measures which I opposse, that they either violate or surrender the constitution. But when, in all soberness and candor, I do so think, in all soberness and candor I must so speak; and whether the opinion which I have now expressed be true let the sequel decide.

Now, sir, Congress has been called together in a moment of great difficulty. The characteristic of the crisis is commercial distress. We are not suffering from war, or pestilence or famine; and it is alleged by the President and Secretary, that there is no want of revenue. Our means, it is averred, are abundant. And yet the Government is in distress, and the country is in distress; and Congress is assembled, by a call of the President to provide relief. The immediate and direct cause of all is, derangement of the currency and the exchanges; commercial credit is gone, and property no longer answers the common ends and purposes of property. Government cannot use its own means, and individuals are alike unable to command their own resources. The operations, both of Government and people, are obstructed; and they are obstructed because the money of the country, the great instrument of commerce and exchange, has become disordered and useless. The Government has funds; that is to say, it has credits in the banks, but it cannot turn these credits into cash; and individual citizens are as bad off as Government. The Government is a great creditor and a great debtor. It collects and it disburses large sums. In the loss, therefore, of a proper medium of payment and receipt, Government is a sufferer. But the people are sufferers from the same causes; and inasmuch as the whole amount of payments and receipts by the people, in their individual transactions, is many times greater than the amount of payments and receipts by Government, the aggregate of evil suffered by the people is also many times greater than that suffered by Government. Individuals have means as ample, in proportion to their wants, as Government; but they share with Government the common calamity arising from the overthrow of the currency. The honorable member from Mississippi [Mr. WALKER] has stated, or has quoted the statement from others, that while the payments and receipts of Government are twenty millions a year, the payments and receipts of individuals are two or three hundred millions. He has, I think, underrated the amount of individual payments and receipts. But even if he has not, the statement shows how little a part of the whole evil falls on Government. The great mass of suffering is on the people.

Now, sir, when we look at the message, the bill, and the proposed amendment, their single, exclusive, and undivided object is found to be, relief to the Government. Not one single provision is adopted or recommended with direct reference to the relief of the people. They all speak of revenue, of finance, of duties and customs, of taxes and collections; and the evils which the people suffer, by the derangement of the currency and the exchanges, and the breaking up of commercial credit, instead of being put forth as prominent and leading objects of regard, are dismissed with a slight intimation, here and there, that, in providing for the superior and paramount interests of Government, some incidental or collateral benefits may, perhaps, accrue to the community. But is Government, I ask, to care for nothing but itself? Is self-preservation the great end of Government? Has it no trust powers? Does it owe no duties but to itself? If it keeps itself in being, does it fulfil all the objects of its creation? I think not. I think Government exists, not for its own ends, but for the public utility. It is an agency, established to promote the common good, by common counsels; its chief duties are to the people; and it seems to me strange and preposterous, in a moment of great and general distress, that Government should confine all its deliberations to the single object of its own revenues, its own convenience, its own undisturbed administration.

I cannot say, sir, that I was surprised to see this general character impressed on the face of the message. I confess it appeared to me, when the banks stopped payment, that the administration had come to a pass, in which it was unavoidable that it should take some such course. But that necessity was imposed, not by the nature of the crisis, but by its own commitment to the line of politics which its predecessor had adopted, and which it had pledged itself to pursue.

It withdraws its care from the currency, because it has left itself no means of performing its own duties, connected with that subject. It has voluntarily and on calculation, discarded and renounced the policy which has been approved for half a century, because it could not return to that policy, without admitting its own inconsistency and violating its party pledges. This is the the truth of the whole matter.

Now, sir, my present purpose chiefly is to maintain two propositions:

1. That it is the constitutional duty of this Government to see that a proper currency, suitable to the circumstances of the times, and to the wants of trade and business, as well as to the payment of debts due to Government, be maintained and preserved; a currency of general credit, and capable of aiding the operations of exchange, so far as those operations may be conducted by means of the circulating medium; and that there are duties, therefore, devolving on Congress, in relation to currency, beyond the mere regulation of the gold and silver coins.

2. That the message, the bill, and the proposed amendment, all, in effect, deny any such duty, disclaim all such power, and confine the constitutional obligation of Government to the mere regulation of the coins, and the care of its own revenues.

I have well weighed, Mr. President, and fully considered, the first of these propositions, to wit: that which respects the duty of this Government, in regard to the currency. I mean to stand by it. It expresses, in my judgment, a principle, fully sustained by the constitution, and

by the usage of the Government, and which is of the highest practical importance. With this proposition, or this principle, I am willing to stand connected, and to share in the judgment which the community shall ultimately pronounce upon it. If the country shall sustain it, and be ready, in due time, to carry it into effect, by such means and instruments as the general opinion shall think best to adopt, I shall co-operate, cheerfully, in any such undertaking; and shall look again, with confidence, to prosperity in this branch of our national concerns. On the other hand, if the country shall reject this proposition, and act on that rejection; if it shall decide that Congress has no power, nor is under any duty, in relation to the currency, beyond the mere regulation of the coins; then, upon that construction of the powers and duties of Congress, I am willing to acknowledge, that I do not feel myself competent to render any substantial service to the public councils, on these great interests. I admit, at once, that if the currency is not to be preserved by the Government of the United States, I know not how it is to be guarded against constantly occurring disorders and arrangements.

Before entering into the discussion of the grounds of this proposition, however, allow me, sir, a few words by way of preliminary explanation. In the first place, I wish it to be observed, that I am now contending only for the general principle, and not insisting either on the constitutionality, or expediency, of any particular means or any particular agent. I am not saying by what instrument or agent Congress ought to perform this duty; I only say it is a duty, which, in some mode, and by some means, Congress is bound to perform. In the next place, let be remembered, that I carry the absolute duty of Government, in regard to exchange, no farther than the operations of exchange may be performed by currency. No doubt, sir, a proper institution, established by Government, might, as heretofore, give other facilities to exchange, of great importance, and to a very great extent. But I intend, on this occasion, to keep clearly within the constitution, and to assign no duty to Congress, not plainly enjoined by the provisions of that instrument, as fairly interpreted, and as heretofore understood.

The President says, it is not the province of Government to aid individuals in the transfer of their funds, otherwise than by the use of the post office; and that it might as justly be called on to provide for the transportation of their merchandise.

Now, I beg leave to say, sir, with all respect and deference, that funds are transferred from individual to individual, usually for the direct purpose of the payment and receipt of debts; that payment and receipt are duties of currency; that, in my opinion, currency is a thing which Government is bound to provide for and superintend; that the case, therefore, has not the slightest resemblance to the transportation of merchandise, because the transportation of merchandise is carried on by ships and boats, by carts and wagons, and not by the use of currency, or of any thing else which the Government has usually exclusive control. These things individuals can provide for themselves. But the transfer of funds is done by credit, and must be so done; and some proper medium for this transfer it is the duty of Government to provide, because it belongs to currency, to money, and is therefore beyond the power of individuals.

The nature of exchange, sir, is well understood by persons engaged in commerce; but as its operations are a little out of the sight of other classes of the community, although they have all a deep and permanent interest in the subject, I may be pardoned for a word or two of general explanation. I speak of domestic exchanges only. We mean, then, by exchange, this same transfer of funds. We mean the making of payment in a distant place, or the receiving of payment from a distant place, by some mode of paper credits. If done by draft, order, or bill of exchange, that is one form; if done by the transmission of bank notes, through the post office, or otherwise, that is another form. In each, credit is used; in the first, the credit of the parties whose names are on the bill or draft; in the last, the credit of the bank. Every man, sir, who looks over this vast country, and contemplates the commercial connexion of its various parts, must see the great importance that this exchange should be cheap and easy. To the producer and to the consumer, to the manufacturer and the planter, to the merchant, to all, in all classes, this becomes matter of moment. We may see an instance in the common articles of manufacture produced in the North, and sent to the South and West for sale and consumption. Hats, shoes, furniture, carriages, domestic hardware, and various other articles, the produce of those manufactories, and of those employments which are carried on without the aid of large capital, constitute a large part of this trade, as well as the fabrics of cotton and wool. Now, a state of exchange, which shall enable the producers to receive payment regularly, and without loss, is indispensable to any useful prosecution of this intercourse. Derangement of currency and exchange is ruinous. The notes of local banks will not answer the purpose of remittance; and if bills of exchange cannot be had, or can be had only at a high rate, how is payment to be received, or to be received without great loss? This evil was severely felt, even before the suspension of specie payment by the banks; and it will always be felt more or less, till there is a currency of general credit and circulation through the country. But when the banks suspended, it became overwhelming. All gentlemen having Northern acquaintance, must know the existence of this evil. I have heard it said, that the hitherto prosperous and flourishing town of Newark has already lost a considerable part of its population by the breaking up of its business, in consequence of these commercial embarrassments. And in cases in which business is not wholly broken up, if five or six per cent., or more, is to be paid for exchange, it by so much enhances the cost to the consumer, or takes away his profit from the producer. I have mentioned these articles of common product of Northen labor; but the same evil exists in all the sales of imported goods; and it must exist, also, in the South, in the operations connected with its great staples. All the South must have, and has, constant occasion for remittance by exchange; and no part of the country is likely to suffer more severely by its derangement. In short, there can be no satisfactory state of internal trade, when there is neither cheapness, nor promptness, nor regularity, nor security, in the domestic exchanges.

I say again, sir, that I do not hold Government bound to provide bills of exchange for purchase and sale. Nobody thinks of such a thing. If any institution established by Government can do this, as might be the case, and has been the case, so much the better. But the positive obligation of Government, I am content to limit to currency, and, so far as exchange is concerned, to the aid which may be afforded to exchange by currency. I have been informed that, a few years ago, before the charter of the late bank expired, at those seasons of the year when Southern and Western merchants usually visit the Northern cities to make purchases, or make payment for existing liabilities, that bank redeemed its notes to the amount of fifty or even a hundred thousand dollars a day. These notes, having been issued in the West, were brought over the mountains, as funds to be used in the Eastern cities. This was exchange; and it was exchange through the medium of currency; it was perfectly safe, and it cost nothing. This fact illustrates the importance of a currency of universal credit, to the business of exchange.

Having made these remarks, for the purpose of explain-

ing exchange, and showing its connexion with currency, I proceed to discuss the general propositions.

Is it the duty, then, of this Government, to see that a currency be maintained, suited to the circumstances of the times, and to the uses of trade and commerce?

I need not, sir, on this occasion, enter historically into the well known causes which led to the adoption of the present constitution. Those causes are familiar to all public men; and among them, certainly, was this very matter of giving credit and uniformity to the money system of the country. The States possessed no system of money and circulation; and that was among the causes of the stagnation of commerce. Indeed, all commercial affairs were in a disjointed, deranged, and miserable state. The restoration of commerce, the object of giving it uniformity, credit, and national character, were among the first incentives to a more perfect union of the States. We all know that the meeting at Annapolis, in 1786, sprang from a desire to attempt something which should give uniformity to the commercial operations of the several States; and that in and with this meeting, arose the proposition for a general convention, to consider of a new constitution of government. Every where, State currencies were depreciated, and continental money was depreciated also. Debts could not be paid, and there was no value to property. From the close of the war, to the time of the adoption of this constitution, as I verily believe, the people suffered as much, except in the loss of life, from the disordered state of the currency and the prostration of commerce and business, as they suffered during the war. All our history shows the disasters and afflictions which sprang from these sources; and it would be waste of time to go into a detailed recital of them. For the remedy of these evils, as one of its great objects; and as great as any one, the constitution was formed and adopted.

Now, sir, by this constitution, Congress is authorized to "coin money, to regulate the value thereof, and of foreign coins;" and all the States are prohibited from coining money, and from making any thing but gold and silver coins a tender in payment of debts. Suppose the constitution had stopped here, it would still have established the all-important point of a uniform money system. By this provision Congress is to furnish coin, or regulate coin, for all the States. There is to be but one money standard for the country. And the standard of value to be established by Congress, is to be a currency, and not bullion merely; because we find it is to be coin; that is, it is to be one or the other of the precious metals, bearing an authentic stamp of value, and passing therefore by tale. That is to be the standard of value. A standard of value, therefore, and a money for circulation, were thus expressly provided for. And if nothing else had been done, would it not have been a reasonable and necessary inference from this power, that Congress had authority to regulate, and must regulate and control, any and all paper, which either States or individuals might desire to put into circulation, purporting to represent this coin, and to take its place in the uses of trade and commerce? It is very evident that the constitution intended something more than to provide a medium for the payment of debts to Government. The object was a uniform curreney for the use of the whole people, in all the transactions of life; and it was manifestly the intent of the constitution, that the power to maintain such a currency should be given to Congress. But it would make the system incongruous and incomplete, it would be denying to Congress the means necessary to accomplish ends which were manifestly intended, it would render the whole provision in a great measure nugatory, if, when Congress had established a coin for currency and circulation, it should have no power to maintain it as an actual circulation, nor to regulate or control paper emissions designed to occupy its place, and perform the same functions that it would on the coinage power alone; and on a fair, and just, and reasonable inference from it, therefore, I should be of opinion that Congress was authorized, and was bound, to protect the community against all evils which might threaten from a deluge of currency of another kind, filling up, in point of fact, all the channels of circulation. And this opinion is not new. It has often been expressed before, and was cogently urged by Mr. Dallas, the Secretary of the Treasury, in his report in 1816. He says, "whenever the emergency occurs, that demands a change of system, it seems necessarily to follow, that the authority, which was alone competent to establish the national coin, is alone competent to create a national substitute."

But the constitution does not stop with this grant of the coinage power to Congress. It expressly prohibits the States from issuing bills of credit. What a bill of credit is, there can be no difficulty in understanding, by any one acquainted with the history of the country. They had been issued, at different times, and in various forms, by the State Governments. The object of them was to create a paper circulation; and any paper, issued on the credit of the State, and intended for circulation from hand to hand, is a bill of credit, whether made a tender for debts or not, or whether carrying interest or not. Is it issued with intent that it shall circulate from hand to hand, as money, and with intent that it shall so circulate on the credit of the State? If it is, it is a bill of credit. The States, therefore, are prohibited from issuing paper for circulation, on their own credit; and this provision furnishes additional and strong proof, that all circulation, whether of coin or paper, was intended to be subject to the regulation and control of Congress. Indeed, the very object of establishing one commerce for all the States, and one money for all the States, would otherwise be liable to be completely defeated. It has been supposed, nevertheless, that this prohibition on the States has not restrained them from granting to individuals, or to private corporations, the power of issuing notes for circulation, on their own credit. This power has long been exercised, and is admitted to exist. But could it be reasonably maintained, looking only to these two provisions, (that is to say, to the coinage power, which is vested exclusively in Congress, and to the prohibition on the States against issuing their own paper for circulation,) that Congress could not protect its own power, and secure to the people the full benefits intended by and for them against evils and mischiefs, if they should arise, or threaten to arise, not from paper issued by States, but from paper issued by individuals or private corporations? If this be so, then the coinage power evidently fails of a great part of its intended effect; and the evils, intended to be prevented by the prohibitions on the States, may all arise, and become irresistible and overwhelming in another form.

But the message intimates a doubt whether this power over the coin was given to Congress to preserve the people from the evils of paper money, or only given to protect the Government itself. I cannot but think this very remarkable and very strange. The language of the President is, "there can be no doubt that those who framed and adopted the constitution, having in immediate view the depreciated paper of the confederacy, of which five hundred dollars in paper were at times equal to only one dollar in coin, intended to prevent the recurrence of similar evils, so far at least as related to the transactions of the new Government." Where is the foundation for the qualification here expressed? On what clause, or construction of any clause, is it founded? Will any gentleman tell me what there is in the constitution which led the President, or which could lead any man, to doubt whether it was the purpose of that instrument to protect the people, as well as the Government, against the overwhelming evils of paper money? Is there a word or particle in the coinage power, or any other power, which countenances the notion that the constitution intend-

ed that there should be one money for the Government, and another for the people; that Government should have the means of protecting its own revenues against depreciated paper, but should be still at liberty to suffer all the evils of such paper to fall with full weight upon the people? This is altogether a new doubt. It intimates an opinion, which, so far as it shall find those who are ready to adopt and follow it, will sap and undermine one of the most indispensable powers of the Government. The coinage power is given to Congress in general terms; it is altogether denied to the States; and the States are prohibited from issuing bills of credit for any purpose whatever, or of any character whatever. Can any man hesitate one moment to say that these provisions are all intended for the general good of the people? I am, therefore, surprised at the language of the message in this particular, and utterly at a loss to know what should have led to it, except the apparent and forgone conclusion and purpose, of attempting to justify Congress in the course which was about to be recommended to it, of abstaining altogether from every endeavor to improve or maintain the currency, except so far as the receipts and payments of the Government itself were concerned. I repeat, sir, that I should be obliged to any friend of the administration, who would suggest to me on what ground this doubt, never expressed before, and now so solemnly and gravely intimated, is supposed to stand. Is it, indeed, uncertain, is it matter of grave and solemn doubt, whether the coinage power itself, so fully granted to Congress, and so carefully guarded by restraints upon the States, had any further object than to enable Congress to furnish a medium in which taxes might be collected?

But this power over the coinage is not the strongest, nor the broadest, ground on which to place the duty of Congress. There is another power granted to Congress, which seems to me to apply to this case, directly and irresistibly, and that is the commercial power. The constitution declares that Congress shall have power to regulate commerce, not only with foreign nations, but between the States. This is a full and complete grant, and must include authority over every thing which is part of commerce, or essential to commerce. And is not money essential to commerce? No man, in his senses, can deny that; and it is equally clear, that whatever paper is put forth, with intent to circulate as currency, or to be used as money, immediately affects commerce. Bank notes, in a strict and technical sense, are not, indeed, money; but, in a general sense, and often in a legal sense, they are money. They are substantially money, because they perform the functions of money. They are not, like bills of exchange or common promissory notes, mere proofs or evidences of debt, but are treated as money, in the general transactions of society. If receipts be given for them, they are given as for money. They pass under a legacy, or other form of gift, as money. And this character of bank notes was as well known and understood at the time of the adoption of the constitution as it is now. The law, both of England and America, regarded them as money, in the sense above expressed. If Congress, then, has power to regulate commerce, it must have a control over that money, whatever it may be, by which commerce is actually carried on. Whether that money be coin or paper, or however it has acquired the character of money or currency, if, in fact, it has become an actual agent or instrument in the performance of commercial transactions, it necessarily thereby becomes subject to the regulation and control of Congress. The regulation of money is not so much an inference from the commercial power conferred on Congress, as it is a part of it. Money is one of the things, without which, in modern times, we can form no practical idea of commerce. It is embraced, therefore, necessarily, in the terms of the constitution.

But, sir, as will be seen by the proposition which I have stated, I go further; I insist that the duty of Congress is commensurate with its power; that it has authority not only to regulate and control that which others may put forth as money and currency, but that it has the power, and is bound to perform the duty, of seeing that there is established and maintained, at all times, a currency of general credit, equivalent in value to specie, adapted to the wants of commerce and the business of the people, and suited to the existing circumstances of the country. Such a currency is an instrument of the first necessity to commerce, according to the commercial system of the present age; and commerce cannot be conducted, with full advantage, without it It is in the power of Congress to furnish it, and it is in the power of nobody else. The States cannot supply it. That resource has often been tried, and has always failed. I am no enemy to the State banks; they may be very useful in their spheres; but you can no more cause them to perform the duties of a national institution, than you can turn a satellite into a primary orb. They cannot maintain a currency of equal credit all over the country. It might be tried, sir, in your State of Kentucky, or our State of Massachusetts. We may erect banks on all the securities which the wit of man can devise; we may have capital, we may have funds, we may have bonds and mortgages, we may add the faith of the State, we may pile Pelion upon Ossa; they will be be State institutions after all, and will not be able to support a national circulation. This is inherent in the nature of things, and in the sentiments of men. It is in vain to argue that it ought not to be so, or to contend that one bank may be as safe as another. Experience proves that it is so, and we may be assured it will remain so.

Sir, mine is not the ruthless hand that shall strike at the State banks, nor mine the tongue that shall causelessly upbraid them with treachery or perfidy. I admit their lawful existence; I admit their utility in the circle to which they properly belong. I only say they cannot perform a national part in the operations of commerce. A general and universal accredited currency, therefore, is an instrument of commerce, which is necessary to the enjoyment of its just advantages, or, in other words, which is essential to its beneficial regulation. Congress has power to establish it, and no other power can establish it; and therefore Congress is bound to exercise its own power. It is an absurdity, on the very face of the proposition, to allege that Congress shall regulate commerce, but shall, nevertheless, abandon to others the duty of maintaining and regulating its essential means and instruments. We have in actual use a mixed currency: the coin circulating under the authority of Congress, the paper under the authority of the States. But this paper, though it fills so great a portion of all the channels of circulation, is not of general and universal credit; it is made up of various local currencies, none of which has the same credit, or the same value, in all parts of the country; and therefore these local currencies answer, but very loosely and deficiently, the purposes of general currency, and of remittance. Now, is it to be contended that there is no remedy for this? Are we to agree, that the constitution, with all its care, circumspection, and wisdom, has, nevertheless, left this great interest unprovided for? Is our commercial system so lame and impotent? Are our constitutional provisions and our political institutions so radically defective? I think not sir. They do not deserve this reproach; and I think it may now be easily shown that, under all administrations, from General Washington's time down to the 3d of March last, the Government has felt and acknowledged its obligations, in regard to the currency, to the full extent in which I have stated it, and has constantly endeavored to fulfil that obligation. Allow me to go back to the beginning, and trace this matter down to our times a little in detail.

In his first speech to Congress, in 1789, having just then assumed his new office, General Washington recom-

mended no particular subjects to the consideration of Congress; but in his speech, at the opening of the second session, he suggested the importance of a uniform currency, without distinguishing coinage from paper; and this body, in its answer, assured him it was a subject which should receive its attention. Recollect, sir, at that time, that there were State banks having notes in circulation, though they were very few. The first Bank of the United States was established at the third session of the Congress in 1791. The bill for its creation originated in the Senate; the debates in which were at that time not public. We have, however, the debates in the House, we have the reports of the Secretaries, and we have the law itself. Let us endeavor to learn, from these sources for what objects this institution was created, and whether a national currency was one of those objects.

Certainly, sir, it must be admitted that currency was not the only object in incorporating the bank of 1791. The Government was new, its fiscal affairs were not well arranged, it was greatly in debt, and the political state of things at the time rendered it highly probable that sudden occasions for making loans would arise. That it might assist the operations of the Treasury, therefore, and that it might make those loans to Government, if pressing occasions should arise, were two of the purposes, had in view in establishing the bank. But it is equally clear that there was a third purpose, and that respected commerce and currency. To furnish a currency for general circulation, and to aid exchange, was, demonstrably, a clear, distinct, and avowed object, in the creation of the first bank.

On the 13th of December, 1790, the Secretary of the Treasury made a report to the House of Representatives, recommending a national bank. In this report, he set forth the advantages, of such an institution. One of these advantages, he says, consists "in increasing the quantity of circulating medium, and quickening the circulation." And he then proceeds to observe: "This last may require some illustration. When payments are to be made between different places, having an intercourse of business with each other, if there happen to be no private bills at market, and there are no bank notes which have a currency in both, the consequence is, that coin must be remitted. This is attended with trouble, delay, expense, and risk. If, on the contrary, there are bank notes current in both places, the transmission of these, by the post, or any other speedy or convenient conveyance, answers the purpose; and these again, in the alternations of demand, are frequently returned, very soon after, to the place whence they were first sent; whence the transportation and retransportation of the metals are obviated, and a more convenient and a more expeditious medium of payment is substituted."

Is not this clear proof, that one object, in establishing the bank, in the opinion of the Secretary, was the creation of a currency which should have general credit throughout the country, and, by means of such credit, should become a convenient and expeditious medium of exchange? Currency, sir, currency and exchange were then, beyond all doubt, important objects, in the opinion of the proposer of the measure, to be accomplished by the institution. The debates which took place in the House of Representatives, confirm the same idea. Mr. Madison, who objected to the bill on constitutional grounds, admitted, nevertheless, that one of the advantages of a bank consists "in facilitating occasional remittances, from different places where notes happen to circulate;" and Mr. Ames, who was one of the most distinguished friends of the measure, and who represented a commercial district, enlarged on the great benefit of the proposed institution to commerce. He insisted that the intercourse between the States could never be on a good footing, without an institution whose paper would circulate more extensively than that of any State bank; and what he saw, in the future, we have seen in the past, and feel in the present. Other gentlemen, also, contended that some such institution was necessary, in order to enable Congress to regulate the commerce of the country, and, for that reason, that it would be constitutional, as being proper means for a lawful end.

When the bill had passed the two Houses, the President, as we all know, asked the opinion of his cabinet upon its constitutionality. The Secretary of State and the Attorney General were against it; the Secretary of the Treasury was in favor of it; and among the grounds on which he placed the right of Congress to pass the law, was its adaptation to the exercise of the commercial power, conferred by the constitution on Congress. His language is: "The institution of a bank has, also, a natural relation to the regulation of trade between the States, in so far as it is conducive to the creation of a convenient medium of exchange between them, and to the keeping up a full circulation, by preventing the frequent displacement of the metals in reciprocal remittances. Money is the very hinge on which commerce turns. And this does not mean merely gold and silver; many other things have served the purpose with different degrees of utility. Paper has been extensively employed. It cannot, therefore, be admitted, with the Attorney General, that the regulation of trade between the States, as it concerns the medium of circulation and exchange, ought to be considered as confined to coin." "And it is," he adds, "in reference to these general relations of commerce, that an establishment which furnishes facilities to circulation, and a convenient medium of exchange and alienation, is to be regarded as a regulation of trade."

Nothing can be plainer, sir, than this language; and, therefore, nothing is more certain than that those who recommended and supported the first bank regarded it as a fit and necessary measure, in order to enable Congress to exercise its important duty of regulating commerce, and to fulfil, especially, that part of the duty which enjoined upon it the provision of a proper and suitable currency for circulation and exchange.

But it is not necessary to rely on these opinions of individual friends of the measure. Let the act speak for itself. Let us look into it, and search its reasons on its own face. What are the grounds and objects of the law, as set forth in the law itself? The preamble tells us. It declares:

"That the establishing of a bank will be very conducive to the successful conducting of the national finances; and will tend to give facility to the obtaining of loans, for the use of Government, in sudden emergencies: and will be productive of considerable advantage to trade and industry in general."

Trade and industry in general, therefore, constituted one distinct and definite object of the incorporation, if the law truly expounds its own purposes. It was not revenue alone, it was not the facility of making loans merely, it was not mere utility to Government; but, in addition to these, it was commerce, it was the interest of the people, it was trade and business in general, which, among other considerations, formed an important part of the objects of the incorporation. And indeed, sir, events proved that it was vastly the most important part of all. What else did the first bank do, for the Government or the country, at all to be compared, in the amount of benefit, to its influence on the currency and the exchanges?

It is as clear as demonstration, therefore, that the Government, in General Washington's time, did feel itself authorized by the constitution, and bound in duty, to provide a safe currency, of general credit, for circulation and for exchange. It did provide such a currency. It is remarkable enough, so comparatively small was the mere object of keeping the public money, that no provision for that purpose was inserted in the charter; nor was there any law on the subject, so far as I remember, till the year 1800.

The bank went into operation, and its success was great and instantaneous; and, during the whole period of its existence, there was no complaint of the state of the currency or the exchanges.

And now, sir, let me ask, what was it that gave this success to the new institution? Its capital was small, and Government had no participation in its direction; it was committed entirely to individual management and control.

Its notes, it is true, were made receivable in payments to Government: that was one advantage. It had a solid capital, and its paper was at all times convertible into gold and silver, at the will and pleasure of the holder: that was another and a most important ground of its prosperity. But, sir, there was something more than all this. There was something which touched men's sentiments, as well as their understandings. There was a cause which carried the credit of the new-born bank, as on the wings of the wind, to every quarter and every extremity of the country. There was a charm which created trust, and faith, and reliance, not only in the great marts of commerce, but in every corner into which money, in any form, could penetrate. That cause was its nationality of character. It had the broad seal of the Union to its charter. It was the institution of the nation, established by that new Government which the people already loved; and it was known to be designed to revive and foster that commerce which had so long been prostrate and lifeless.

Mr. President, let it be borne in mind that I am not now arguing the constitutionality, or present expediency, of a bank of the United States. My sentiments are already well known on that subject; and, if they were not, the subject is not now before us.

But I have adverted to the history of the first bank, and examined the grounds on which, and the purposes for which, it was established, in order to show the fact, that this Government, from the first, has acknowledged the important duty and obligation of providing for currency and exchange as part of the necessary regulation of commerce. I do not mean, at present, to say that a bank is the only, or the indispensable, means by which this duty can and must be performed; although I certainly think it the best. Yet I will not set limits to the wisdom and sagacity of gentlemen in the invention and adaptation of means. If they do not like a bank, let them try whatever they do like. If they know a better instrument, or agent, let them use it. But I maintain that the performance of the duty, by some means, or some instrument, or some agent, is indispensable; and that so long as it shall be neglected, so long the commerce and business of the country must suffer.

The history of the late Bank of the United States manifests, as clearly as that of the first, that the Government, in creating it, was acting, avowedly, in execution of its duty in regard to the currency. Fiscal aid, except so far as the furnishing of a currency was concerned, was hardly thought of. Its bills were made receivable for revenue, indeed; but that provision, as far as it went, was obviously a provision for currency. Currency for the revenue, however, was not the leading object. The leading object was currency for the country.

The condition of things, at that time, was very much like that which now exists. The revenue of the Government was entirely adequate to all its wants; but its operations were all obstructed by the derangement of the currency, and the people were as bad off as the Government. The banks, or most of them, had suspended payments. Their paper was depreciated in various degrees; the exchanges were all disordered; and the commerce of the country thrown into confusion. Government and people were all rich; but, with all their riches, they had no money. Both might apply to themselves what Mr. Addison, being a much readier writer than speaker, said of himself, when he observed that, although he could draw for a thousand pounds, he had not a guinea in his pocket.

Mr. Madison, at that time, was President of the United States. He had been one of the opposers of the first bank on constitutional grounds; but he had yielded his own opinions to the general sentiment of the country, and to the consideration that the power had been established and exercised. He was not a man who carried his respect for himself, and his own opinions, so far as to overcome his respect for all other men's judgments. Wise men, sir, are sometimes wise enough to surrender their own opinions, or at least to see that there is a time when questions must be considered as settled. Mr. Madison was one of these. In his annual message, in December, 1815, he says:

"The arrangements of the finances, with a view to the receipts and expenditures of a permanent peace establishment, will necessarily enter into the deliberations of Congress during the present session. It is true that the improved condition of the public revenue will not only afford the means of maintaining the faith of the Government with its creditors inviolate, and of prosecuting successfully the measures of the most liberal policy, but will also justify an immediate alleviation of the burdens imposed by the necessities of the war. It is, however, essential to every modification of the finances that the benefits of a uniform national currency should be restored to the community. The absence of the precious metals will, it is believed, be a temporary evil; but, until they can again be rendered the general medium of exchange, it devolves on the wisdom of Congress to provide a substitute, which shall equally engage the confidence and accommodate the wants of the citizens throughout the Union. If the operation of State banks cannot produce this result, the probable operation of a national bank will merit consideration; and, if neither of these expedients be deemed effectual, it may become necessary to ascertain the terms upon which the notes of the Government (no longer required as an instrument of credit) shall be issued, upon motives of general policy, as a common medium of circulation."

Here, sir, is the express recommendation to Congress to provide a "national currency," a paper currency, a uniform currency, for the uses of the community, as a substitute for the precious metals, and as a medium of exchange. It devolves on Congress, says Mr. Madison, to provide such a substitute as shall engage the confidence and accomodate the wants of the citizens throughout the Union; and if the State banks cannot produce this result, a national bank will merit consideration. Can language be more explicit? Currency, national currency, currency for exchange, currency which shall accommodate all the people, is the great and leading, and, I may add, the sole and single object of the recommendation.

Contrast now, sir, this language, and these sentiments, with those of the message before us. Did Mr. Madison confine his recommendation to such measures of relief as might be useful to Government merely? Did he look exclusively to the Treasury? Did he content himself with suggesting a proper medium for the receipt of revenue, or a proper depository for its safe-keeping? Far otherwise. His view was general, statesmanlike, and fitted to the exigency of the times. The existing evil was one which afflicted the whole country; and the remedy proposed by him was, as it should have been, commensurate with the whole evil. And, sir, what a shock it would have produced at that time, if Mr. Madison, seeing the prostrate state of commerce and business all around him, had recommended to Congress to do nothing in the world but to take care that the taxes were collected, and those in the employment of Government well paid.

Well, sir, what was done with this message? Why, sir, the House of Representatives resolved, "That so much of the President's message as related to a uniform national

currency, should be referred to a select committee." Such a committee was raised, and the honorable member from South Carolina was placed at its head, as he well deserved to be, from his standing in the House, and his well known opinions on this subject. The honorable member was thus at the head of a committee, appointed, not on the subject of a revenue currency, or a currency for Government, but a uniform national currency; and, to effect the great object of this appointment, he brought in a bill for the establishment of a bank of the United States.

As had been the case formerly, so on this occasion, the Secretary of the Treasury made a report on the subject. And now hear, sir, what he says of the duty of Congress to provide a national currency, and of the objects which he proposes by the establishment of a national bank.

"The constitutional and legal foundation of the monetary system of the United States is thus distinctly seen; and the power of the Federal Government to institute and regulate it, whether the circulating medium consist of coin or of bills of credit, must, in its general policy, as well as in the terms of its investment, be deemed an exclusive power. It is true, that a system depending upon the agency of the precious metals, will be affected by the various circumstances which diminish their quantity, or deteriorate their quality. The coin of a State sometimes vanishes under the influence of political alarms; sometimes in consequence of the explosion of mercantile speculations; and sometimes by the drain of an unfavorable course of trade. But, whenever the emergency occurs that demands a change of system, it seems necessarily to follow, that the authority which was alone competent to establish the national coin, is alone competent to create a national substitute. It has happened, however, that the coin of the United States has ceased to be the circulating medium of exchange, and that no substitute has hitherto been provided by the national authority. During the last year, the principal banks established south and west of New England resolved that they would no longer issue coin in payment of their notes, or of the drafts of their customers for money received upon deposite. In this act the Government of the United States had no participation; and yet the immediate effect of the act was to supersede the only legal currency of the nation. By this act, although no State can constitutionally emit bills of credit, corporations erected by the several States, have been enabled to circulate a paper medium, subject to many of the practical inconveniences of the prohibited bills of credit."

"Of the services rendered to the Government by some of the State banks, during the late war, and of the liberality by which some of them are actuated in their intercourse with the Treasury, justice requires an explicit acknowledgment. It is a fact, however, incontetably proved, that those institutions cannot, at this time be successfully employed to furnish a uniform national currency. The failure of one attempt to associate them, with that view, has already been stated. Another attempt, by their agency in circulating Treasury notes, to overcome the inequalities of the exchanges, has only been partially successful. And a plan recently proposed, with the design to curtail the issues of bank notes, to fix the public confidence in the administration of the affairs of the banks, and to give to each bank a legitimate share in the circulation, is not likely to receive the general sanction of the banks. The truth is, that the charter restrictions of some of the banks, the mutual relation and dependence of the banks of the same State, and even of the banks of the different States, and the duty which the directors of each bank conceive they owe to their immediate constituents, upon points of security or emolument, interpose an insuperable obstacle to any voluntary arrangement, upon national considerations alone, for the establishment of a national medium through the agency of the State banks."

"The establishment of a national bank is regarded as the best, and perhaps the only adequate resource, to relieve the country and the Government from the present embarrassment. Authorized to issue notes, which will be received in all payments to the United States, the circulation of its issues will be coextensive with the Union; and there will exist a constant demand, bearing a just proportion to the annual amount of the duties and taxes to be collected, independent of the general circulation for commercial and social purposes. A national bank will, therefore, possess the means and the opportunity of supplying a circulating medium, of equal use and value in every State, and in every district of every State.

"The power of the Government to supply and maintain a paper medium of exchange, will not be questioned; but, for the introduction of that medium, there must be an adequate motive."

"Upon the whole, the State of the national currency, and other important considerations connected with the operations of the Treasury, render it a duty respectfully to propose—

"That a national bank be established."

This language, it must be admitted, is explicit enough, both in regard to the power and the duty; and the whole report bears very little resemblance, most certainly, to the official paper from the Treasury Department now before us.

When the bill was called up, the honorable member from South Carolina explained its objects in an able speech. He showed the absolute necessity of a national currency; the power of Congress over such currency, whether metallic or paper; and the propriety and expediency of establishing a bank, as the best means of exercising these powers and fulfilling these duties. I agreed then, and I agree now, to the general sentiment expressed in that speech, heartily and entirely. I would refer to it, on this occasion, both as an able argument and a high authority; and beg to adopt it, as setting forth, in a strong light, the sentiments which I am now endeavoring to enforce.

[Mr. CALHOUN here rose to make an explanation. He said that he never saw the reporter's notes of his speech on that occasion, and, therefore, what he did say, may not have been what he would have said. There were points of omission in that speech which occupied a column and a half of the National Intelligencer. Mr. C. said, that he took care then, as now, to fortify himself, and leave a road open to oppose, at any coming time, a national bank. He then said that he was opposed to a bank, but that he submitted to the necessity of the case. There was then a connexion between the Government and the banks; and, if the Government had a right to regulate the currency, there was no means of doing it but by a national bank. He had, both then, and since then, contended that Government had no right to have any connexion with any banks. In his opinion, the United States Bank (which he then advocated, and assisted to establish) was not established according to the constitution. Congress had no right to establish such a bank. He acted contrary to his own impressions of right. Many people may do things which they do not believe to be lawful, from necessity. He acted from necessity.]

Mr. WEBSTER, resuming his remarks, said, he thought the gentleman had said, formerly, that in consequence of the decision of the question, he felt thenceforward precluded from opposing the bank as being unconstitutional.

[Mr. CALHOUN again explained: He (Mr. C.) thought the connexion between Government and banks was now broken, and that set him at liberty; so shat now he could oppose what he had then, and since, earnestly advocated.]

It is not my desire, sir, to hold the gentleman to a report of his speech, which he may choose, even now to disclaim. I have never heard of his disclaiming it before; and even now, sir, I do not understand him as being desirous of retracting or denying any thing contained in the printed report of his speech, respecting the importance of a uniform

national currency. That topic makes up the sum and substance of his whole speech. It was the topic of the occasion; it was the express purpose for which his committee had been raised, and for the accomplishment of which the whole proceeding was gone into. It was all currency, currency, currency; and, whether the gentleman now thinks the law constitutional or unconstitutional, he cannot deny that his own object, and the object of Congress, was to furnish a circulating medium for the country. And here, again, so unimportant, relatively, was the mere custody, or deposite of the public moneys in the bank, that the bill, as originally introduced, contained no provision for that object. A section was afterwards introduced, in Committee of the Whole, on my motion, providing for the deposite of the public moneys with the bank, unless the Secretary of the Treasury should, at any time, otherwise order and direct; a reservation of power to the Secretary, which, as I think, and always have thought, was greatly abused, by the removal of the deposites, in 1833.

By reference to the debates, sir, it will be found that other friends of the measure followed up the general ideas of the honorable gentleman from South Carolina, and supported the bank, as a necessary agent or instrument for establishing, anew, a national currency, for the uses of commerce and exchange.

The operation of the joint resolution of April, 1816, aided, no doubt, in a proper degree, by the institution of the bank, and the currency which it furnished, accomplished the great end of the resumption of specie payments; and, for a long period, we had no further trouble with the currency.

And I now proceed to say, sir, that the late President of the United States has acknowledged this duty as often, and as fully and clearly, as any of his predecessors. His various admissions, or recognitions, of this obligation are too recent and too fresh in every one's recollection, to require, or to justify, particular citation. All the evils we now feel, indeed, we have encountered in the search after a better currency. It has been in the avowed attempt to discharge the duty of Government, connected with the circulation, that the late administration has led us to where we now are. The very first charge that the late President ever brought against the bank was, that it had not maintained a sound and uniform currency. Most persons, probably, will think the charge quite unfounded; yet this was the charge. Its dereliction of duty, or its want of ability to perform what had been expected from it—its failure, in some way, to maintain a good currency, was the original professed cause of dissatisfaction. And when the bill for rechartering the bank was negatived, it was not on the ground that Government had nothing to do with the national currency, but that a better provision for it might be made than we had in the bank. The duty was not to be disclaimed, or thrown off, or neglected; new agents, only, were to be employed, that it might be better performed. The State banks would do better than the national bank had done; the President was confident of this, and therefore he rejected the national bank as an agent, and adopted the State banks. And what he so constantly promised us would happen, he as resolutely maintained afterwards had happened. Down to his last message, down to the last hour of his administration, he insisted upon it that the State banks had fulfilled all his expectations, and all their own duties; and had enabled the Government to accomplish, in the very best manner, the great and important objects of currency and exchange. We have the same head of the Treasury, sir, who has repeated and echoed all these statements, whether of prophecy or fulfilment, in successive reports, some of them not less tersely and intelligibly written than that now before us; and we have heads of other departments, who concurred, I presume, from time to time, in the original statements, and in the faithful echoes of them, from the Treasury. All these functionaries have been laboring with the utmost zeal, as they professed, to perform their constitutional obligation of furnishing the country with a good currency, with a better currency, with the best currency; and they have dragged Congress, dragged the country, and dragged themselves into difficulty, perplexity, and distress, in this long and hot pursuit. And now, behold, they draw up all at once, and declare that the object of all this toil and struggle is one with which they have nothing at all to do!

But, as the last message of the late President was loud and warm in its praises of the State banks, for the good services which they rendered to currency and exchange, so, no doubt, would the first message of the present President have commended, with equal earnestness, the success with which Government had been able, by means of the State banks, to discharge this important part of its duties, if the events of May last had not left that subject no longer a topic of felicitation. By the suspension of specie payments all was changed. The duty of Government was changed, and the constitution was changed also. Government was now to give up, and abandon forever, that very thing which had been the professed object of its most assiduous care, and most earnest pursuit, for eight long and arduous years!

Mr. President, when I heard of the suspension of the banks, I was by the side of the Ohio, on a journey, in the course of which I had occasion, frequently, to express my opinion on this new state of things; and those who may have heard me, or noticed my remarks, will bear witness that I constantly expressed the opinion that a new era had commenced; that a question of principle, and a question of the highest importance, had arisen, or would immediately arise; that, hereafter, the dispute would not be so much about means as ends; that the extent of the constitutional obligation of the Government would be controverted; in short, that the question, whether it was the duty of Congress to concern itself with the national currency, must, inevitably, become the leading topic of the times. So I thought, whenever I had the pleasure of addressing my fellow-citizens, and so I feel and think now. I said often, on these occasions, and I say now, that it is a question which the people, by the regular exercise of their elective franchise, must decide. The subject is one of so much permanent importance, and public men have become so committed, on the one side or the other, that the decision must, as I think, be made by the country. We see an entirely new state of things. We behold new and untried principles of administration advanced and adopted. We witness an avowed and bold rejection of the policy hitherto always prevailing. The Government has come, not to a pause, but to a revulsion. It not only stops, but it starts back; it abandons the course which it has been pursuing for near fifty years, and it reproaches itself with having been acting all that time, beyond the limits of its constitutional power.

It was my second proposition, sir, that the message, the bill, and the amendment, taken together, deny, in substance, that this Government has any power or duty connected with the currency, or the exchanges, beyond the mere regulation of the coins.

And, sir, is this not true? We are to judge of the message by what it omits, as well as by what it proposes. Congress is called together in a great commercial crisis. The whole business of the country is arrested by a sudden disorder of the currency. And what is proposed? Any thing to restore this currency? Any thing with a direct view of producing the resumption of payment by the banks? Is a single measure offered, or suggested, the main purpose of which is general relief to the country? Not one. No, sir, not one. The administration confines its measures to the Government itself. It proposes a loan, by the means of Treasury notes, to make good the deficiency in the rev-

enue; and it proposes secure vaults, and strong boxes, for the safe-keeping of the public moneys; and here its paternal care ends. Does the message propose to grapple, in any way, with the main evil of the times? Seeing that that evil is one affecting the currency, does the message, like that of Mr. Madison, in 1815, address itself directly to that point, and recommend measures of adequate relief? No such thing. It abstains from all general relief. It looks out for the interest of the Government, as a Government; and it looks no further. Sir, let me turn to the message itself, to show that all its recommendations, and, indeed, all the objects in calling Congress together, are confined to the narrow and exclusive purpose of relieving the wants of Government.

The President says, that the regulations established by Congress, for the deposite and safe-keeping of the public moneys, having become inoperative by the suspension of payment by the banks; and apprehending that the same cause would so diminish the revenue, that the receipts into the Treasury would not be sufficient to defray the expenses of Government; and as questions were also expected to arise respecting the October instalment of the deposite to the States, and doubting whether Government would be able to pay its creditors in specie, or its equivalent, according to law, he felt it to be his duty to call Congress together. These are the reasons for calling Congress. They are all the reasons; and they all have exclusive regard to the Government itself.

In the next place, let us see what measures the message recommends to Congress. In its own language, the objects demanding attention are:

"To regulate, by law, the safe-keeping, transfer, and disbursement of the public moneys; to designate the funds to be received and paid by the Government; to enable the Treasury to meet promptly every demand upon it; to prescribe the terms of indulgence, and the mode of settlement to be adopted, as well in collecting from individuals the revenue that has accrued, as in withdrawing it from former depositories."

These are all the objects recommended particularly to the care of Congress; and the enumeration of them is followed by a general suggestion, that Congress will adopt such further measures as may promote the prosperity of the country. This whole enumeration, it is obvious, is confined to the wants and convenience of the Government itself.

And now, sir, let us see on what grounds it is that the message refrains from recommending measures of general relief. The President says:

"It was not designed by the constitution that the Government should assume the management of domestic or foreign exchange. It is, indeed, authorized to regulate, by law, the commerce between the States, and to provide a general standard of value or medium of exchange in gold and silver; but it is not its province to aid individuals in the transfer of their funds, otherwise than through the facilities afforded by the Post Office Department. As justly might it be called on to provide for the transportation of their merchandise."

And again:

"If, therefore, I refrain from suggesting to Congress any specific plan for regulating the exchanges of the country, relieving mercantile embarrassments, or interfering with the ordinary operations of foreign or domestic commerce, it is from a conviction that such measures are not within the constitutional province of the General Government, and that their adoption would not promote the real and permanent welfare of those they might be designed to aid."

The President, then, sir, declines to recommend any measure for the relief of commerce, for the restoration of the currency, or for the benefit of exchanges, on the avowed ground that, in his opinion, such measures are not within the constitutional power of Congress. He is distinct and explicit, and so far entitled to credit. He denies, broadly and flatly, that there is any authority in this Government to regulate the currency, and the exchanges, beyond its care of the coin. The question, then, is fairly stated. It cannot be misunderstood; and we are now to see how Congress, and, what is much more important, how the country will settle it.

Mr. President, if, in May last, when specie payments were suspended, the President of one of the banks had called his council of directors together, informed them that their affairs were threatened with danger, that they could not collect their debts in specie, and might not be able to pay their creditors in specie, and recommended such measures as he thought their interest required; his policy, in all this, would have been no more exclusively confined to the interests of his corporation, than the policy of the message is confined to the interests of this great corporation of Government. Both in practice, therefore, and on principle, in reality, and avowedly, the administration abandons the currency to its fate. It surrenders all care over it, declines all concern about it, and denies that it has any duty connected with it.

Sir, the question, then, comes to be this: Shall one of the great powers of the constitution, a power essential to it, on any just plan or theory of government, a power which has been exercised from the beginning, a power absolutely necessary and indispensable to the proper regulation of the commerce of the country, be now surrendered and abandoned forever? To this point we have come, sir, after pursuing the "experiment" of the late administration for five years. And from this point, I am persuaded, the country will move, and move strongly, in one direction or another. We shall either go over to the gentleman from Missouri, and suffer him to embrace us in his gold and silver arms, and hug us to his hard-money breast; or we shall return to the long tried, well-approved, and constitutional practice of the Government.

As to the employment of the State banks, for the purpose of maintaining the currency, and carrying on the operations of exchange, I certainly never had any confidence in that system, and have none now.

I think the State banks can never furnish a medium for circulation, which shall have universal credit, and be of equal value everywhere.

I think they have no powers, or faculties, which can enable them to restrain excessive issues of paper.

I think their respective spheres of action are so limited, and their currencies so local, that they can never accomplish what is desired in relation to exchanges.

Still, I prefer the employment of State banks to the project before us; because it is less of a project; because it is less dangerous; and, chiefly, because it does not surrender, effectually, and, in terms, a great power of the constitution.

In every respect this project is objectionable. It is but another "experiment; and those who recommend it so zealously, were the authors of the last, and were equally full of confidence and assurance in regard to that.

Who invite us to try this experiment? What voices do we hear raised in its recommendation? Are they not the well-known voices which we heard so often when the late "experiment" was begun? We know of but one accession. The voice of the honorable member from South Carolina is heard, it is true, now mingling with the general strain; and that is all. Where, then is the ground for confidence in this experiment, more than there was for it in the last?

This scheme, too, is against all our usages, and all our habits. It locks up the revenue, under bolts and bars, from the time of collection to the time of disbursement. Our practice has been otherwise, and it has been a useful

practice. In 1833, the Secretary of the Treasury admonished the deposite banks, since they had obtained the custody of the public funds, to accommodate the public, to loan freely, especially to importing merchants. And now, a system is proposed to us, according to which, any use of the public funds, by way of loan or accommodation to the public, is made a criminal offence, and to be prosecuted by indictment! Admirable, admirable consistency!

But the great objection to the measure, that which so much diminishes the importance of all other objections, is its abandonment of the duty of Government. The character of this project is, severance of the Government from the people. This, like the mark of Cain, is branded on its forehead. Government separates itself, not from the banks merely, but from the community. It withdraws its care, it denies its protection, it renounces its own high duties. I am against the project, therefore, in principle and in detail; I am for no new experiments; but I am for a sound currency for the country. And I mean by this, a convertible currency, so far as it consists of paper. I differ, altogether, in this respect from the gentleman from South Carolina. Mere Government paper, not payable otherwise than by being received for taxes, has no pretence to be called a currency. After all that can be said about it, such paper is mere paper money. It is nothing but bills of credit. It always has been, and always will be, depreciated. Sir, we want specie, and we want paper, of universal credit, and which is convertible into specie at the will of the holder. That system of currency, the experience of the world, and our own experience, have both fully approved.

I maintain, sir, that the people of this country are entitled, at the hand of this Government, to a sound, safe, and uniform currency. If they agree with me, they will themselves say so. They will say, "it is our right; we have enjoyed it forty years; it is practicable, it is necessary to our prosperity, it is the duty of Government to furnish it; we ought to have it, we can have it, and we will have it."

The language of the admininistration, on the other hand, is, "good masters, you are mistaken. You have no such right. You are entitled to no such thing from us. The constitution has been misunderstood. We have suddenly found out its true meaning. A new light has flashed upon us. It is no business of ours to furnish a national currency. You cannot have it, and you will not get it."

Mr. President, I have thus stated what I think to be the real question now before the country. I trust myself, cheerfully to the result. I am willing to abide the test of time, and the ultimate judgment of the people; for it is a sentiment deeply infused into me, it is a conviction which pervades every faculty I possess, that there can be no settled and permanent prosperity to the commerce and business of the country, until the constitutional duty of Government, in regard to the currency, be honestly and faithfully fulfilled.

When Mr. WEBSTER had concluded,

Mr. HUBBARD rose and addressed the Senate as follows:

Mr. President: Having voted for the act "to regulate the deposites of the public money;" having also voted at the last session for the bill introduced by the Senator from Virginia, "designating and limiting the funds receivable for the revenues of the United States;" and having, at the present session, as a member of the Committee of Finance, agreed to report the bill now under consideration—a bill essentially conflicting with the two bills referred to, I have felt it to be a matter of duty to myself, as well as to those whom I represent, to explain the grounds of my action, and, also, the views which I entertain with reference to the measure now proposed as a substitute for the deposite act of June, 1836. And I will now proceed to submit what I have to offer, if it be the pleasure of the Senate that I should proceed. I can not be insensible, however, that in rising to address the Senate at this time, after their attention has been riveted for three hours to the able argument of the learned gentleman from Massachusetts, upon the constitutional power of Congress upon the subject of currency and exchange, that I come forward under peculiar disadvantages, but that is wholly a personal affair; and to that I am free to submit. It is not my purpose to reply to that part of the argument of the Senator touching the constitutional powers of Congress. I have risen for no such object; I shall leave that matter to abler minds. The Senator from Massachusetts remarked, "he would raise no ruthless hand to destroy the local institutions of the country." I subscribe most freely and fully to the sentiment. I should be the last man in this body who would wage war with the moneyed institutions of the respective States. The little property which I possess is principally invested in some of the banks in New England. And I should commit a violence upon my own feelings and upon truth, did I fail to bear testimony to the correctness and integrity which has usually marked the conduct of those who have had the direction of those institutions. They may have committed some errors; but, in the main, the course and conduct of the New England banks has been above imputation. In their connexions with the Government, they have never failed to discharge their duty, until they became involved in this universal catastrophe, and since this desolation came upon them, they have never refused to answer the drafts of the Government, and to pay them in that currency approved and acceptable in their own sections. Thus much is due to the banks, and I would not, if I could, undertake to interfere with institutions created by State authority. If State banks are an evil not to be endured, the remedial power is with the States themselves, and beyond the jurisdiction of Congress. To the care of the States, I would commit these local institutions, and as far as practicable to separate the patronage and the influence of the General Government from any connexion with or participation in their concerns. It is an ill-advised, embarrassing, and disadvantageous connexion to both parties—to the Government and to the banks. The Senator from Massachusetts remarked, that on the third of March last, the Government completed the forty-eighth year of its existence, and for forty out of the forty-eight, we had enjoyed a currency approved by public opinion; that Congress had passed two acts at different periods of its history, establishing a bank of the United States; the first in 1791, which expired by its own limitation in 1811; the other, established in 1816, expired in 1836; and that both Houses of Congress, in 1832, renewed the charter of the last bank, which bill was vetoed by the President. All this is true; and it is no less true that the action of Congress, and the action of the President, in relation to this subject, were referred to the American people; and their verdict has been returned, and their judgment has been here so distinctly expressed, as to leave no room for doubt as to the present state of popular opinion with respect to the constitutionality or expediency of such an institution.

The Senator remarked, that the present position of things presents this question: That the administration must return either to a United States bank, or take some new ground; that the total failure of the State bank system presented this issue now to be settled—"a national bank or a metallic currency."

[Mr. WEBSTER here denied that he had referred to the establishment of a United States bank, or had presented any such issue, as had been stated.]

I may not, Mr. President, have used the precise language of the Senator from Massachusetts, but he certainly did say that the administration were bound to return to a uniform and approved currency, or to a metallic currency; and as the Senator did not see fit to name, in terms, in

what the approved currency consisted, and as he had said that for forty years of our national existence we had a currency uniform and approved, and during all that period we had a bank of the United States, I thought myself justified in inferring that the approved currency to which the Senator referred was the currency established by a bank of the United States.

But in one position the Senator and myself perfectly agree; that it will not answer under existing circumstances to constitute again State banks as the depositories of the public funds. In this matter I am constrained, notwithstanding my strong predilections in favor of the State banks, to go with the Senator in opposing the amendment proposed by the gentleman from Virginia, [Mr. RIVES.] That system has been tried; it has been faithfully tried; and it has failed, wholly altogether failed, to answer the purposes of the Government, and to meet the just expectations of the community.

We have assembled, Mr. President, under circumstances of a most extraordinary and appalling character. We are here amidst a general subversion of the business and currency of our country. Confidence is destroyed; a general distrust pervades the community; commerce and manufactures, the great sources of active and profitable operations, if not entirely prostrated, are crippled and embarrassed to a degree most unexampled in the history of our republic. At a time of universal peace, when prosperity attended the efforts of our citizens; when wealth seemed to be the portion of every individual—at a time most unexpected and most sudden—pecuniary distress pervades the land, and a general dismay fills the hearts of our people.

The depositories of the public money, with all the banking institutions of the country, have been compelled, as it were, in the twinkling of an eye, to acknowledge themselves bankrupt, and to suspend the payment of the just demands of their creditors.

These awful realities are calculated to break down the courage, and to overwhelm the efforts of the patriot. But if there ever was a time when our country stood in need of aid, when she called most imperiously upon the intelligence and patriotism of her sons to come to her relief, this is that time. We are called upon to lay aside those animosities and bickerings which party feeling never fails to engender, and with one heart and with one mind, to exert our best energies to wipe away the blot which effaces our national character, and to devise, and perseveringly to prosecute, measures which will bring relief to the Government and to the people. This should be our aim and end—and this I trust will be the great business of our session. In view, then, Mr. President, of this whole subject, I propose briefly to examine into the causes which have produced the evils with which we have been visited, and to see if an adequate, a sufficient, a substantial remedy is not within our power. A remedy which, although it may not bring instantaneous relief to the suffering community, yet will afford a safe, sure, and permanent relief to the Government and to the people. A remedy which, under existing circumstances, seems to be demanded at our hands; and which, as faithful and patriotic public servants, in the exigency of our public affairs, we cannot, we ought not, to withhold.

Such is the unexampled and extraordinary embarrassment and distress that exists in our country, that I have found great difficulty in tracing these effects to a sufficient and adequate cause. In my judgment, however, it is the gross abuse of the credit system which has brought upon us the existing evils. It cannot be denied, that a little anterior to this general prostration of business and of currency, "that our manufactures and commerce had been greatly extended, and had been mainly conducted on credit." Commerce had brought into our country in 1835, and in the spring of 1836, a most unexampled amount of the products of Europe. The supply greatly exceeded the demand; and, at this moment, much of the importations of 1835 and 1836 are upon the hands of the importer, yielding to him no profit, but producing loss, embarrassment, sacrifice, and ruin. An immense foreign debt of more than one hundred millions of dollars had been contracted by the American merchants. Its final adjustment and discharge is a tax upon the productive industry and labor of the country. In addition to all this, a spirit of extravagant speculation pervaded every class of our community. The history of the times shows that there has been a most unprecedented over-trading; that the zeal and all the active energies of the adventurer have been put in requisition. The influence of this fell spirit has been felt in almost every village of our country, and by almost every class of our community. Speculations have been made, not in the public lands only, but in railroads, in canals, in lots, in every description of property that the wit of man could devise; and these speculations have been conducted mainly on individual credit—a credit obtained at the local banks of the country. It was, then, the extraordinary amount of credit at home which produced such a redundancy of paper circulation. It was the extraordinary amount of credit abroad which co-operated in producing the subversion of the business and currency of the country. It was the increasing and enormous amount of unappropriated funds in the Treasury, the great accumulation, from time to time, of the public money in the deposite banks, which induced speculation and over-trading.

On the 1st of January, 1834, the balance in the Treasury was only eight millions five hundred and ninety-eight thousand dollars. The national debt was soon extinguished; the compromise act led to the belief that the tariff would remain undisturbed; local banks greatly multiplied; credit was readily obtained, and the receipts from the customs, and from the sale of the public lands, brought into the Treasury by the 1st day of January, 1835, a balance beyond the public expenditures of nearly twenty-seven millions of dollars; and the operation of the same causes brought into the Treasury, beyond the expenditures, on the 1st day of January, 1836, over forty-four millions of dollars; and to this may be added at least twenty-five millions for the excess of receipts over expenditures from January 1, 1836, to the 23d of June, 1836, the date of the deposite act. These enormous amounts, which filled the public Treasu y, were the fruits of speculation in land and in merchandise. They had been carried on by the means of individual credit obtained through local banks. From the facts already stated, it follows that, at the passage of the deposite act in June, 1836, there could not have been less than sixty millions of dollars of public property actually held by the then fiscal agents of the Government, and that whole amount consisted in bank credits in institutions created by, and responsible to, State authority, and beyond the reach and control of the legislation of Congress. In addition to all the other means of these State banks, the balances in the public depositories were actually put out on loan on individual credit. There can be no doubt of the fact; and hence the extraordinary amount of paper in circulation in the season of 1836, exceeding one hundred and fifty millions of dollars, according to the best estimates of those acquainted with this subject.

The deposite banks, from the amount of public money, were enabled greatly to extend their line of discounts; and realizing the fact that the public funds in deposite were, day following day, and week following week, constantly increasing in amount, (for we find that between January, 1835, and January, 1836, the balance had been increased more than fifty per cent.,) those who had the direction of these selected banks felt a confidence and a security in extending their credits. It was done to their utmost limit. The uncontrolled and uncontrollable spirit of speculation abroad in the country furnished an ample demand, and the

banks readily granted a full supply. The country, consequently, was flooded with paper. The desire to make large profits had prompted and governed the action of the deposite banks; while the other local institutions of the States were influenced by the same considerations to extend their business to the greatest possible extent. Such was the state of credit, of business, and of the currency, at the passage of the deposite act in June, 1836. It was not the provisions of that act which induced the action of the banks. The cause of present embarrassments, of existing evils, may well be traced to transactions occurring before its passage. It was the alarming and dangerous amount of paper circulation founded on individual credit anterior to the deposite act of 1836, that has led to the present pecuniary distress, to the general subversion of the business and currency of the country. There can be no reasonable doubt of the correctness of this position. The history of banking operations clearly shows it. From the passage of that act to the very day of suspending specie payments, the paper circulation has constantly been diminishing. In May last it did not exceed a hundred millions; and it was the act of June, 1836, and the subsequent promulgation of the specie circular, which first imposed these checks upon bank issues. So far from being the cause of a redundant circulation, they operated as checks to such a circulation. I have stated, and I believe most truly stated, that anterior to June, 1836, the deposite banks had put out on loan every dollar of the public money. They had also, in connexion with the other banking institutions of the country, extended their accommodations to the utmost limit of their respective charters.

In order to show the true condition of banks, and of the public funds in deposite at the time of the passage of the act of June 23, 1836, I would refer to some of the provisions of that act, and the subsequent but necessary action of the Department to carry those provisions into effect; from which it will appear that the deposite banks were unprepared for the crisis.

By the first section of that act, the Secretary of the Treasury is required, as soon as may be practicable, to select and employ, as the depositories of the public money of the United States, certain local institutions—one at least in each State and Territory—"and that he shall not suffer to remain in any deposite bank an amount of the public money more than equal to three-fourths of the amount of its capital stock actually paid in, for a longer time than may be necessary to enable him to make the transfers required by the act." And it will very distinctly appear, by a report communicated from the Secretary of the Treasury to the Senate in December last, in answer to a resolution offered by the Senator from Massachusetts, that he commenced immediately making the necessary transfers from those banks where there was too great an accumulation of the public money to the new selected depositories; and from an examination of this document, it will appear that all the transfers were not promptly answered; but, in repeated instances, the banks on whom the transfer drafts were made, asked indulgences of thirty, sixty, and ninety days, and the request was granted, whenever it could safely be done without disregarding the requirments of the law. The banks were not then prepared for the crisis; the funds of the Government had been disposed of; they were beyond the control of the banks themselves; and until collections could be made—until means could be drawn from the individual debtors of those institutions—they could not, with convenience, answer the claims of the Government. I infer, then, Mr. President, from these facts, that the money of the Government which had been deposited with the local institutions, had been loaned prior to the passage of the deposite act; and that the distress which now pervades our country, cannot justly be attributed to any action of the Government. The prostration of the business, the disappointment of the hopes of our community has been the effect of causes which they controlled, and with which the Government had no concern. The deposite act and the specie circular has had no other effect but to hold the banks in check. That circular bears date, July 11, 1836, and it was directed not only to the receivers of the public money, but also to all the deposite banks; and its avowed object and purpose was to discourage the ruinous extension of bank issues and bank credits, by which means speculations and monopolies in the purchase of the public lands were going forward in an alarming extent. The late President, in his annual message, shows that, "from the returns made by the various registers and receivers, it was perceived that the sales of the public lands were increasing to an unprecedented amount." "In effect, however, the receipts from these sales amounted to nothing more than credits in bank. Those credits were rapidly increasing, and on some of the books of the Western banks were greatly beyond their means of payment;" and in consequence of this state of things, to save the public domain, and to preserve in security the public funds, the President directed, that after the 15th day of August, 1836, gold and silver and Virginia land scrip only should be received for the public lands; and the effect must have been to have checked the sale of the public lands, and to have curtailed the paper circulation. It very distinctly appears, that in June, 1836, the sales of the public lands amounted to three millions three hundred and seventy thousand dollars, and that the aggregate amount of sales for three months preceding the time when the specie circular was to take effect, was more than eight millions and six hundred thousand dollars; while the aggregate amount of the sales for the next following three months was about four and a half millions—a reduction of one-half in amount; and the average reduction was still greater for the next following five months, and up to the time of the suspension by the banks of specie payment. Nor could the effect of the circular be to withdraw or to abstract from the banks, such an amount of their specie basis as to embarrass their operations. On referring to a document upon this subject, communicated by the Secretary of the Treasury to the Senate, on the 29th of December, 1836, it will appear, that the whole amount of gold received at the land offices in August, September, October, and November, 1836, was three-hundred and sixty thousand and sixty-nine dollars; and that the whole amount of silver received at said offices in the same period of time, was one million four hundred and forty-two thousand and eight hundred and seventy dollars—making a total, in gold and silver, of $1,802,939. And from the same document it also appears, that, from the 21st of July to the 24th of October, 1836, the certificates granted by the Treasurer of the United States for specie received at the Department, amounted to $235,200—making, in the whole, a little more than two millions of dollars, which was abstracted from the specie capital for the purchase of public lands, for a period of at least four months; while the whole amount of the sales of the public lands for four months, including the whole of August and November, 1836, amounted to seven millions of dollars. The difference between the two millions paid in specie and the amount of sales must have been provided for, either in Virginia land scrip, or in some other acceptable currency. It is, to my mind, idle to pretend that the employment of two millions of dollars in the purchase of public lands for this period of time—the withdrawal of this amount from the eighty millions of specie in the country—could have embarrassed the banks (if no other cause of embarrassment previously existed) in their business operations, or could have tended to have brought upon us the evils under which we are at this time suffering.

If, as it has been contended, that one million of specie purchased three millions of land, it furnishes an additional

fact, tending to show the dangerous use of bank credits. In the whole history of our Government, from its foundation, there has never before occurred such a universal wreck of banks and of business as now prevails. In New England no such catastrophe has ever before overwhelmed their local institutions. In the darkest and most discouraging periods of our history, the banks of New England have stood unmoved and undisturbed, secure in their own resources. They never lost the support of public confidence, until this one sad event has happened to them all; and the conviction to which the mind must inevitably come is, that this event has resulted from their connexion with the finances of the Government.

It is true, that in New York, and in other sections of the Union, there was a suspension by the banks of specie payment during the war; but that was the effect of a combination of most extraordinary circumstances; and the very fact of that temporary suspension went to sustain the credit of the Government, and bring the war to a favorable termination. But at a time of general peace, of universal prosperity, that this calamity should come upon us, is matter of wonder and astonishment. But its true cause is to be found in the extraordinary issue of bank paper, founded on individual responsibility. In other words, it is nothing more and nothing less than the gross abuse of individual credit. It was not the deposite act, nor was it the specie circular which brought upon us this calamity. The moving cause was beyond the conception of those measures. But, Mr. President, before I leave this part of the subject, I must undertake once more to say a word or two in defence of the Secretary of the Treasury, who, on this occasion, seems not to find favor with all his old political friends, and who is doomed to incur the severe animadversion of all his old political enemies. I could not have supposed that the Senator from Virginia would have undertaken to have cast any imputation upon the Secretary of the Treasury, for the manner of his executing the deposite act of 1836. That was matter of grave charge against him at the last session, by one of the Senators then representing the State of Ohio, but no longer a member of that body. But, strange as it may seem, the pecuniary distress which now exists in our commercial cities, has been here and elsewhere charged upon the Secretary as the direct effect of the awkward manner of his executing that act. I undertook at the last session to answer the allegations of the Senator from Ohio, and since the report of that distinguished officer was made to the Senate in answer to the call of the Senator from Massachusetts in relation to this subject, I had not heard a word of complaint made against the Secretary of the Treasury, for the manner of his carrying into effect the provisions of the deposite act, until the Senator from Virginia renewed the charge. Mr. President, the Secretary could not have done less, he might have done more.

In the report already referred to, the Secretary remarks, that "on the passage of the deposite law, and in execution of the first section of it, prohibiting any amount over three-fourths of the capital of any bank to be left in it longer than was necessary to select new banks, and to complete the transfers for removing the excess, it became indispensable to transfer, for that purpose alone, about $18,300,000. New transfers for this whole amount became necessary. The Department, therefore, took immediate steps, even before the adjournment of Congress, to comply with this direction of the law. By a reference to the act itself, it will be found that the Secretary had no course to pursue, but the one expressly marked out by the act. It was clearly his duty to select as soon as was practicable, and to employ as the depositories of the money of the United States, such new banks as may be located adjacent or convenient to the points or places at which the revenue may be collected or disbursed. And the act expressly requires that the Secretary shall not suffer to remain in any deposite bank an amount of the public money more than three-fourths of the capital stock actually paid, for a longer time than may be necessary to make the transfers for the purpose of equalization. He could not then have permitted the public money to remain in those deposite banks, where an amount had accumulated beyond three-fourths of their capital stock. He was bound to select new depositories, and to make immediate transfers. He was required to do this for the purposes of equalization. This duty he attempted to execute, and it was performed with as little embarrassment to the banks, and to the commercial community, as possible. If the Secretary had, regardless of the conditions of those institutions, rigidly enforced the provisions of the first sections of the act, the deposite banks could not have sustained themselves. The Secretary made no transfers unless absolutely required by the express terms of the act itself. He was compelled at once to remove about eighteen and a half millions of dollars from one set of deposite banks, which then held of the public money more than three-fourths of their capital stock, to new depositories, selected in the different States; and for this duty he is charged with having been unnecessarily instrumental in bringing upon the country the existing prostration of the banks. No man could be less obnoxious to such a charge. The known fidelity, uprightness, and industry, of the Secretary of the Treasury in the performance of every official duty, ought at least to protect him from any such imputations.

Statement showing the amounts of public money on deposite in the banks of each State on the 20th of June and the 19th of December, 1836, as well as the proportion these amounts bore at each period to the sum to be deposited with such State under the 13th section of the depositie law, including Michigan, and taking the sum to be deposited with the States at $37,000,000.

States.	Proportion of each State of $37,000,000.	Amount on deposite June 20, 1836.	Amount on deposite Dec. 19, 1836.
Maine - -	$1,258,503	$231,829	$507,604
New Hampshire -	880,952	180,200	632,285
Massachusetts -	1,761,904	2,077,164	2,386,476
Rhode Island -	503,401	112,084	349,758
Connecticut -	1,006,802	104,839	741,063
Vermont - -	880,952	52,975	162,315
New York -	5,285,714	12,108,322	11,536,271
New Jersey -	1,006,802	None.	534,004
Pennsylvania -	3,775,510	2,643,179	2,684,880
Delaware - -	377,551	None.	170,000
Maryland -	1,258,403	1,447,663	1,225,210
Virginia - -	2,894,577	489,951	1,238,660
North Carolina -	1,887,755	129,625	660,697
South Carolina -	1,384,253	384,680	936,576
Georgia - -	1,384,253	637,911	558,904
Alabama - -	880,951	1,057,740	1,407,505
Mississippi -	503,401	1,619,564	1,791,558
Louisiana -	629,251	2,568,345	4,382,308
Tennessee -	1,887,755	631,289	492,433
Kentucky -	1,887,755	400,037	1,802,846
Ohio - -	2,642,857	1,520,979	3,130,881
Indiana - -	1,132,653	1,011,195	2,136,419
Illinois - -	629,251	None.	45,616
Missouri - -	503,401	1,890,304	1,890,628
Arkansas - -	377,551	None.	None.
Michigan - -	377,551	1,895,175	1,462,222

From the above official sttement, which accompanies the Secretary's report, it very distinctly appears that the amount of deposites had not been withdrawn from the com-

mercial States so as to leave with them a less sum in deposite at the date of the report, than the same State possessed on the 20th of June, 1836; and the same statement will show the amount transferred, for the purpose of equalization, to States, under the first section of the deposite bill, which had none of the public money in deposite at the date of said act.

Thus it appears that the State of New York had in deposite $12,108,322 at the passage of the act—a sum which could not be there retained without an entire disregard to the provisions of the act; and hence $534,000 was transferred from New York to New Jersey. It will appear that New York, on the day the report was made to the Senate, had about half a million less in deposite than it had at the passage of the act, while New Jersey held in deposite the difference. The statement is a full commentary on the manner of executing the act by the Secretary, and shows most conclusively that the course pursued by that officer was most favorable to the banks as well as to the commercial community; and it is evidence of the truth of the assertion that the Secretary could not have done less without a violation of law—that he could have done more with perfect impunity—and that his forbearance alone saved the banks and the debtors of the banks.

I have now stated the causes which, in my judgment, have produced the existing evils, and there can be no doubt that something must now be done to sustain the Government and the country.

There seems to be an imperious necessity for further legislation. The acts of Congress establishing local banks as the depositories of the public funds, cannot be executed. The present condition of those institutions, their acknowledged inability to perform the duties imposed upon them, as the fiscal agents of the Government, call upon Congress to provide for the present exigency.

The bill reported by the Committee on Finance, if carried into full effect, cannot fail to relieve the Government from present financial embarrassment. I am fully aware that it is the purpose of the chairman of the committe to present his own views in relation to the measure; it will be his province to give a very detailed statement of the character and effect of that bill—its benefits to the Government, to the banking institution of the country, and to the people themselves. It cannot but have occurred, however, to every individual, that if this bill should now be adopted, it would in effect be but the same measure, so far as it relates to the collection and the disbursement of the public money, which has existed almost from 1789, until the joint resolution of April, 1816. This bill, if carried into effect, would give to the Government the certain and absolute control of its own funds. So did the act of 1789. This bill if adopted, would sever the Government from any connexion with the pecuniary concerns of the local banks of the count y. So did the act of 1789; and, notwithstanding the existence of the Bank of the United States from 1791 to 1811, there was no legal provision which created that institution, or any other bank, the receiver and disburser of the public revenue. If this bill should be adopted, the fiscal agents of the Government will collect, hold, and disburse the public revenues upon their own responsibility. So did the collectors under the act of July, 1789. If this bill be passed, the fiscal agents will be immediately accountable to the Government. So were the collectors of the revenue from the foundation of the Government to the recharter of the United States Bank, in 1816. The advantages the Government will derive from the operation of this measure will be the certain control of its own funds, the direct responsibility and accountability to the Government of its own fiscal agents; and another benefit which will result from the adoption of this measure, will be the unchangeable character of its own means, and the fixed value of its own revenues—not liable to depreciation by the casualties and misfortunes to which the moneyed institutions of the country are more or less liable. The utter failure of this, or the severe losses of that bank, can, in nowise, deteriorate the value of the Government funds. So it was for the first quarter of a century after the adoption of our constitution. Independent of all banks, we would manage our finances in our own way, and with perfect security to the Government. So it was under the act of 1789. The revenues then were collected and disbursed independent of the Bank of the United States. These are some of the benefits which would result to the Government by the adoption of this bill; and, acting independent of local banks in the collection and disbursement of the public revenue, it would also, in its operation, be beneficial to the banks themselves. If this measure be carrried into effect, no longer will the money of the Government be used by the the State banks in their banking operations; no longer will the money of the Government be employed in increasing the paper issues of the banks, by increasing their discounts, and their credits; and certain it is that this deposite with the local banks cannot be required for the transactions of the necessary business of a business community. The pecuniary aid of the Government is not needed for the legitimate operation of the local banks. There is not, Mr. President, any want of bank capital in the country; if there was, there is no want of a disposition to create bank capital. The complaint is, and has been, that banks have multiplied too rapidly and beyond the necessities and wants of a commercial and trading community. The complaint is well founded. Certain the facts is, that there is not at this time, within the limits of New England, any want of bank capitel. If this be so, what occasion can there be, where is the necessity, of requiring the deposite of the public money to carry on the proper operations of these local banks? There can be no necessity; and the sound, stable, substantial institutions will be essentially benefited by giving up this trading upon the money of the Government, and by returning to the good old safe practice of managing their own business upon their own capital. There is too much uncertainty attending the use of the public money to justify any bank doing business upon the strength of Government deposites. It is true that a half of a million may be placed with a public depository to day for safe-keeping: and may it not be so, that a public appropriation for some unexpected and unlooked for event may render it indispensably necessary to withdraw at once the whole amount of such a deposite; and if the bank had previously put this deposite out on loan—as it certainly would do, under the deposite act, to indemnify it against the claim of the Government to interest—might it not be embarrassing to the banks to answer such a call from the Treasury Department.

The great uncertainty, then, both as to amount and to time, which must attend the deposites of the public money, cannot fail to be regarded by sound and well-regulated banks as a great objection to the reception of the Government deposites. If the banks which have been selected under the deposite act of June 23, 1836, should be called upon to answer the inquiry whether the Government money received by them in deposite has been a benefit to their respective institutions, the answer of the solvent and stable deposite banks would be—no; they have been an injury, rather than a benefit. Trace the history of the deposites which have been made with the banks in New England, and it must result, from the great uncertainty and instability which has attended the moneyed operations of the Government, that the deposites have served but to augment their pecuniary embarrassments. Better, then, would it be for them and for the Government to dissolve the connexion. And, Mr. President, the people themselves, for whose interest there has been much feeling manifested pending the debate upon this bill, would also participate in the benefits which would result from the adoption of this measure. Men

would become steady and settled in their operations; there would no longer be given to property an inflated and factitious value; business would resume its accustomed channels; and the excitement, always temporary and always dangerous, (the fruit of any extraordinary expansion of paper currency,) would be done away; the spirit of speculation and overtrading would be checked; a sound discretion and a guarded prudence would mark the conduct of business men, and give character to all their operations. There would not, and there could not be, that constant change and revolution in the value of property, necessarily involving in its consequences the fortune and the fate of thousands. Let the Government, through its own agents, collect and hold its revenues exclusively for public purposes; let the Government withhold from the local institutions the use of the public funds, and that wild, extravagant, and adventurous spirit which has pervaded our country for the last two years, will be controlled by the power of sober judgment; and if such would be the consequences resulting from the adoption of this measure, surely the people would greatly participate in the benefits of the system. In my belief, the Government, the banks, and the people, would derive essential advantages from the adoption of this measure. I shall, therefore, Mr. President, give to it my best support. As a member of the Committee on Finance, I agreed to report the bill. The discussion which has taken place since the bill has been before the Senate—to all of which I have given my constant attention—has served to satisfy my own mind of the necessity, policy, and justice, of the measure. I deeply regret that a different view has been taken of this matter by other gentlemen, for whose opinions I have ever entertained a profound respect; but it is, I trust, but an honest difference of opinion on a leading measure of public policy. I have no belief that any change of sentiment can be accomplished; but, sir, I must be excused for noticing some of the objections which have been made on this floor to the bill now under consideration.

First. It is objected that the bill provides that the revenues of the Government should be collected and disbursed in gold and silver; and from the consequence given to this objection to the measure pending the debate, the inference must be that, in this particular, a great innovation upon the practice of the Government is contemplated, and that a new principle is to be introduced into our legislation; but, so far from that being the fact, this same principle—this special provision—has been coexistent with the Government itself. By the act to regulate the collection of duties, &c., approved July 21, 1789, it is provided "that the duties and fees to be collected by virtue of said act, shall be received in gold and silver coin only." And by the tenth section of the act of February, 1791, creating the Bank of the United States, it is provided "that the bills or notes of the said corporation, originally made payable, or which shall have become payable on demand, in gold and silver coin, shall be received in all payments to the United States." The corporation was not, by the terms of its charter, made the fiscal agent of the Government; nor was the bank made the depository of the public revenues. The responsibility of the collectors, created by the act of 1789, was not transferred to the Bank of the United States. They, and they alone, were directly accountable to the Government. Their duties were prescribed by the act, and were not, by the charter of the bank, changed. This feature of the bill, should the amendment of the Senator from South Carolina be adopted, would contain no new principle, nor introduce any new practice. From 1789 to 1816, such was the usage of the Government, and such was the law of the land. And I would confidently appeal to the experience of the people, whether the material change in the collection and disbursement of the public revenues which took place on the recharter of the United States Bank in 1816, and the subsequent changes which have taken place, have advanced their peace, prosperity, and happiness. Under the system which was established in 1789, and practised on by the Government, the revenues were collected and disbursed in a currency not subject to change or deterioration, by its own fiscal agents, directly responsible to the Government. By the act of 1816, rechartering the United States Bank, that corporation was made the responsible fiscal agent of the Government. All the bills or notes of the corporation, without any discrimination, were made receivable in all payments to the United States. And the act provides further, "that the deposites of the money of the United States, in places in which the said bank and branches thereof may be established, shall be made in said bank or branches;" and "that during the continuance of the act, and whenever required by the Secretary of the Treasury, the said corporation shall give the necessary facilities for transferring the public funds from place to place, within the United States, and for distributing the same in payment of the public creditors, without charge," &c. These provisions were introduced, by way of amendments to the bill, after it had been reported by the committee, and were, I believe, proposed by the Senator from Massachusetts, thereby materially, and as it has operated, injuriously, changing the whole practice of the Government in relation to the collection and disbursement of the public funds.

Had the bank been vested with no other powers by the act of 1816, than was conferred by the act of 1791, the evils which have since been experienced would have probably been avoided. It was its intimate connexion with the finances of the country—it was the control it possessed over the public funds—it was the political influence it was supposed to exercise—that awakened the jealousy of the American people, and excited feelings and established opinions hostile to the continuance of such an institution.

A second objection made to the bill is, that it in effect repeals the act depositing the money of the Government with the local banks, and thereby producing great injury to those institutions. I have already expressed my own views as to the effect this measure would have upon State banks. And all I wish to add is, that, until local banks were selected as public depositories, for the first forty years of the existence of this Government, the local banking institutions of the country did not count upon any such aid from the Government as essential to their prosperity, or necessary to their success.

A third objection to the bill is, that it creates one currency for the Government and another for the people.

Was there any complaint of this sort made under the act of 1789? Was there then one currency for the Government and another for the people? If the amendment of the Senator from South Carolina be adopted, after 1841, the revenues will be received in gold and silver only. And what would be the effect of such a proceeding? Would the gold and silver received for the public revenues be abstracted from the general currency? Would it be locked up from circulation? Would it be salted down in the vaults of the sub-Treasury officer? No, sir: the revenues and the public dues would come from the poeple, and they would be disbursed to the people. If paid in a metallic currency to our fiscal agents, the same currency would, by the same agents, be disbursed to the public creditors. The history of the Government shows, that at the commencement of each fiscal year, there is not on an average in the public Treasury, subject to draft, a sum exceeding six millions of dollars. If, in the course of the year, twenty more millions have been received, a like amount has been disbursed. A sum not exceeding six millions of specie, then, would ordinarily be the balance of the account of receipts and expenditures at the commencement of the fiscal year; and can the abstraction of six from more than eighty millions now in the country, so alarm the fears of gentlemen as to lead them to the conclusion that the consequence

of this measure will be the establishment of one currency for the Government, and a different cu rency for the people? And are not all of the people? Are men holding office a distinct race from the people? And can it be seriously contended that the revenues received and paid out to public creditors are withdrawn from circulation, and from the care of the people? No, sir, it cannot. Debtors and creditors to the Government are parts of the same community. They are of the people; and their relation to the Government is constantly changing. To-day one may be a creditor—to-morrow he may be a debtor; and I cannot conceive in what way or manner the adoption of this bill would create one currency for the Government and another for the people—would establish those high or low in office—all who have claims upon the Government—as an order of men possessing peculiar and exclusive privileges. It cannot so be. The objection has no foundation in truth.

A fourth objection is made, that the bill divorces the Government from the banks. The bill separates the Government from the banks in no other way than it says, that no longer shall the banks have the public deposites for the purpose of expanding and enlarging their paper currency. This is the divorce about which Senators complain. The propriety of such a separation I have already discussed.

Another objection made to this measure is, that it in effect destroys the credit system, under which the country has enjoyed so much prosperity.

There can be no doubt that credit, as contradistinguished from cash payment, has been, and may be, attended with consequences most beneficial to the prosperity of a community; that it stimulates enterprise, and, when properly restrained, cannot fail to advance private interest; but such a credit system needs not the protecting care of the Government. It is the excess of credit that brings danger, distress, and dismay. It is that uncontrolled and uncontrollable spirit of adventure which leads to disaster, embarrassment, and ruin. It is that bold and daring passion for speculation, sustained for a time on credit, which puts in jeopardy the fortunes of individuals, prostrates the best efforts of enterprise, and scatters firebrands and death among an active business community. Whence this general desolation which now pervades our land? Whence this general, this universal embarrassment, which now prevails through the country? It is to be traced to a most injudicious and unwarrantable expansion of the credit system. This has been the efficient and producing cause of the pecuniary distress which now extends from Maine to Florida. A judicious, a well-regulated system of credit, has its advantages in every community, and among every class of our citizens; but I submit whether, from the w ful experience we have had, we ought to wish to return to the local banks the public deposites, if thereby an enlargement of individual credit could be attained, and a corresponding increase of a paper medium? I cannot doubt what would be the response.

Another objection to the bill is, that its tendency is to increase Executive patronage. That objection has been so ably answered by the Senator from Mississippi, that I would not weaken the force of his argument by submitting any additional considerations of my own.

Another objection is urged, that the bill, if adopted, cannot, with convenience, or with a proper regard to the security of the public funds, be executed. My answer to that objection is, that no difficulties were experienced under the act of 1789. The principles of this bill were then carried into effect with convenience to the Government and to the public creditor, and with safety to the public funds; and they may again be so carried into effect.

Another objection is, that this is an experiment, and that experiments with reference to the public finances are not only odious, but dangerous to the security of the public funds.

My answer to this is, what would the gentleman from Massachusetts call upon us to do in the present exigency? Try some other plan? adopt some other expedient? Would any project which the Senator might recommend be any the less an "experiment?" But a further answer to this objection is, that the measure now recommended by the committee is no "untried experiment." It has been practised upon here and elsewhere, and has received the approbation of the people.

The amendment proposed by the Senator from Virginia is to strike out the bill reported by the Committee on Finance, and to insert "a bill designating and limiting the funds receivable for the revenues of the United States." This amendment, if adopted, will continue the local banks as the depositories of the public money, and will justify the Treasury Department in the receipt of the bills of specie paying banks of certain denominations, and at fixed periods. The Senator from Virginia urges the adoption of his amendment, first, to save the local banks; to induce them to resume specie payments, and also to establish and preserve one uniform currency throughout the country; to continue the practice of the Government which has existed since the joint resolution of April, 1816, so far as it relates to the kind of money to be received for the public revenues; that, by its adoption, not only the banks, but the people themselves, would obtain a sensible relief from existing embarrassments.

The substitute of the Senator's bill for the bill reported by the committee would have no tendency to save the local banks. I have already said that those institutions which are sound and solvent need not this kind of assistance from the Government for their own protection; that there is an abundance of bank capital for the business of the country; if not, there is no want of disposition to create or to hold bank capital; and that so great must necessarily be hereafter the uncertainty as to the amount and duration of these Government deposites in local banks, that to continue them, under the deposite act of 1836, would serve only to embarrass those institutions. Nor is there much force in the reason urged for the amendment—that its adoption would serve to establish and preserve a uniform currency throughout the country. The eighty deposite banks selected by the Government, in the different sections of the Union, amount only to about one tenth of all the banking institutions now existing by virtue of State legislation, and comprising about one-third of the whole banking capital of the country. The selected banks, scattered, as they are, over the whole Union, acting, as they must do under their own local charters, and accountable to their own State authorities, with no common interest, but simply performing the conditions and the terms of their respective contracts with the Government, independent of each other, can do but little to regulate the general currency. The bills of specie paying banks in Louisiana, although issued by those institutions selected as depositories of the public revenue, cannot pass and be passed as a currency in New England. The character and capital of these State institutions clearly evince that their circulation to any great extent cannot pass current beyond the boundaries of their own States. The banking system now existing in New England is well arranged for the convenience and the security of that community. It is one of the blessed effects of that system that the paper of our local banks mainly circulates in its own immediate vicinity. The moment the paper of any particular bank is doubted, that moment it ceases to form, to any considerable extent, a part of the circulating medium. It is collected at the commercial capital of New England, and sent home for payment. The paper, therefore, of any local bank, not current at the great market of New England, will no longer be received by any portions of our community. The consequence of the system is, that the bank paper best known and highest appreciated by the commu-

nity constitutes almost exclusively the paper circulation among that community. The amendment could have no effect in regulating the general currency of the country. Even if there were a perfect league among all the selected banks, no such effect could be produced. They comprise too small a number and too small a portion of the capital of the local banks, to bring about any such consequence, should they continue to receive and to disburse the public revenues.

There can be no occasion for the amendment, for the purpose of continuing in practice the provisions of the joint resolution of 1816. The bill reported by the committee, left that resolution undisturbed. It also left the act of 1789 in full force. And notwithstanding the speculations of different gentlemen in relation to this matter, there can be no doubt that our collectors and receivers under this bill, if it passes, as under the act of 1789, will act like rational, discreet, accommodating, and prudent officers. Suppose an importer in the city of Boston should have occasion to pay to the collectors, for duties on imports, one hundred thousand dollars, what would be the course? He would at once make an arrangement at the bank where he transacted his business to answer his draft for that sum. The collector, well knowing the character of the merchant, and the condition of the bank, receives the draft, and it is carried as a special deposite to the credit of the collector. Suppose that within two days he receives from the Secretary of the Treasury a warrant to pay a public creditor the same sum, he draws on this deposite, and the bank then satisfies the draft by paying the specie, or by paying out their own paper, at the election of the payee. This would be an every day business—a common transaction; no embarrassment, no delay would attend the operation. But suppose that the collector was authorized or required to receive and disburse in the bills of specie-paying banks; and when the creditor demands payment, he offers him the bills of specie-paying banks, but so remote from the place of the transaction, that before he can present them for redemption the banks themselves suspend payment, and a creditor of the Government thereby loses a portion of his claim, and this occasioned too by the act of his Government. This is a consequence I would avoid. But suppose that the receivers are required to receive or disburse no bills except of certain fixed denomination, and on banks where they can be converted at the time and place into specie. No practical convenience would result from any such arrangement. It would then be left to the creditor to take specie, or to take paper convertible into specie; and without any legal provisions, nineteen times out of twenty, such would, in effect, be the course of the receiver as would secure to the creditor that election. The Senator from Virginia has sustained his proposed amendment with his usual ability, and has called upon us to go with him *now* in the support of that measure, for the reason that, at the last session of Congress, we came in aid of the proposition. This is all true, sir; and if the Senator can, with propriety, urge the same considerations for the adoption of this measure, as were at that time urged upon the Senate, there can be no good reason why we should, at this time, withhold our support. It occurs to my mind that the amendment now offered by the Senator from Virginia, is presented under circumstances entirely different from those which existed at the time it was brought forward at our last session. Certain local banks had been selected as the depositories of the public money as early as 1833, and had been established as the fiscal agents of the Government. The deposite act of June 23, 1836, recognised them as such, and went on to increase the number of public depositories, imposing on all new obligations, and subjecting all to new liabilities. They were, to all intents and purposes, as much the receiving and disbursing agents of the Government as the Bank of the United States was under its charter, in 1816. The act, therefore, of the Senate, on the 10th of February, 1837, was not only proper in itself, with reference to the State institutions, but was in perfect accordance with what had been the action of Congress upon the same subject with reference to the Bank of the United States. It was extending to them no greater favor than was extended to the United States Bank in 1791, when that institution was not under the obligation to perform the duties required of the State banks by the deposite act of 1836; and it was granting to them the same favors, so far as it respected the selected banks, as was granted to the United States Bank in 1816, when similar duties were imposed upon that institution. It seemed to me, therefore, when the proposition was presented at the last session of Congress, to be but an act of common and equal justice to the State banks to adopt the measure. And for these considerations I did at that time give it my support. But how stands the matter now? Under what circumstances does the Senator now press his proposition? These local banks, these fiscal agents, have entirely failed to perform the duties required of them by the act of June 23d, 1836. Their part of the contract has been disregarded; and shall it be said that the obligation still rests on us to extend to these institutions the same favor? Was not the contract between the Government and the banks, and the obligations growing out of the contrast, mutual and reciprocal—binding on both parties, or binding on neither party? The neglect or the failure on the one part, was a virtual discharge and release of the other.

What was required of these banks under the act of June, 1836?

"They were to credit as specie all sums deposited therein to the credit of the Treasurer of the United States, and to pay all checks, warrants, or drafts on such deposites, in specie, if required by the holder thereof."

"To give, whenever required by the Secretary of the Treasury, the necessary facilities for transferring the public funds from place to place, within the United States and the Territories thereof, and for distributing the same in payment of the public creditors, without charging commissions or claiming allowance on account of difference in exchange."

And the act further provides: "that no bank which shall be selected or employed as the place of deposite of the public money, shall be discontinued as such depository, or the public money withdrawn therefrom, except for the causes herein after mentioned." "If, at any time, any one of said banks shall fail or refuse to perform any of said duties as prescribed by this act, and stipulated to be performed by its contracts; or if any of said banks shall, at any time, refuse to pay its own notes in specie, if demanded, etc. in any such case it shall be the duty of the Secretary of the Treasury to discontinue any such bank as a depository." etc.

The obligations imposed upon the deposite banks by the provisions of this act were explicit, and the duty of the Secretary on their non performance was equally plain.

But the amendment offered by the Senator from Virginia seeks to renew the connexion which has existed between the Government and the banks, on their resuming specie payments; and, notwithstanding their course and their conduct: notwithstanding the Government has performed to the letter its part of the contract; and notwithstanding the banks, for the last four months, have entirely failed, and still neglect, to fulfil the stipulations required by the act and by their contract, yet the Senator asks us to renew our relations with these institutions; to take the lead in this matter; to induce them to resume specie payment by promising to give to them again the public deposites, and to receive for the public dues the bi ls of those banks which may resume specie payments. And a strong appeal has been made by the Senator from Virginia and the Senator from New York, [Mr. TALLMADGE,] to their friends, to give to this proposition their support, as they did in February last.

Circumstances alter cases. The condition of our monetary affairs and the present condition of the local banks, seems to my mind to furnish a good and sufficient reason for opposing at this time this same measure, to which at the last session I gave my feeble support; and I think, by taking this course, I am by no means obnoxious to the charge of inconsistency. I then voted as I believed for the best; and I shall now vote, as I think, for the best; but should I now vote for this amendment, I could not reconcile it to my sense of public duty.

I would respectfully ask the Senator from Virginia if, for six months previous to the passage of the act creating local banks as public depositories, there had been a general suspension of specie payments among all the local banks of the country; that for that period of time they had utterly dishonored their own paper, and disregarded their obligations to the public—would they have been selected as public depositories? Certainly not. Would the Senator have supported a bill legalizing the receipt of their notes, when they might resume specie payments? Certainly not. Suppose that for six months prior to the passage of the act of June, 1836, they had refused to pay specie for their bills, would that act have been passed? Certainly not.

Suppose the same state of things had existed for six months prior to the 10th of February, 1837, would the Senate have agreed to any such bill as that now proposed by the Senator from Virginia? Such would be the state of public feeling, and of public sentiment, towards these institutions, under such circumstances, that no such measure would find favor. It would be a proceeding on the part of Congress directly countenancing such a departure from public duty.

I would ask the Senator, in case he had at any time seen fit to employ an agent to manage his own affairs, under his supervision; had made known to him his duties and his obligations, and had placed with that agent his pecuniary means; and the agent had used those means for his own benefit; that, when required to perform the duties of his agency, he was wholly unable to discharge, the obligations imposed upon him—would the Senator very readily consent to a re-employment of the same agent, and again furnish to that agent his pecuniary means, under the same obligations? I think too highly of the discretion and prudence of the Senator to suppose that such would be his course of conduct. There is a moral sense, a moral feeling, which, under such circumstances, would control the action of the Senator?

I am free to admit, as the Senator from Massachusetts has stated, that the late President of the United States, in his last annual message, and that the accompanying report of the Secretary of the Treasury, gave to these local banks a high character, and detailed, with much particularity, their valuable and extensive services. Their state and condition, their perfect ability to meet all their liabilities, were distinctly communicated to Congress. In admitting thus much, I by no means agree that those public officers withheld from Congress any fact in relation to these institutions, important or necessary to be communicated. The then state and responsibility of the banks were truly and faithfully made known to Congress. And while the President, in his message, remarked that "experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents for the Government," he, in the same message, (speaking of the danger of excessive issues of bank paper,) observed that "it is to be hoped that nothing will now deter the Federal and State authorities from the firm and vigorous performance of their duties to themselves and to the people in this respect."

Whatever may have been the condition of the banks at the commencement of the last session of Congress, whatever may have been the condition of the banks at the time the Senator from Virginia first presented his proposition, there can be no mistake as to their inability now to meet their engagements. Their acts for the last four months speak a language which cannot be misunderstood; acts which may have been inevitable, but cannot fail to weaken the public confidence in those institutions.

If the amendment of the Senator should be adopted, what would be the effect? The Secretary of the Treasury has necessarily discontinued the local banks as the fiscal agents of the Government. Not until these old agents shall resume specie payments can they be employed; and what does the Senator propose to have done with the public funds in the interim? Certainly the Senator would not wish to have them deposited with the local banks in their present acknowledged state of delinquency; and if that should be the purpose of the Senator, his amendment does not go far enough; for without some express legal provision to that effect, the Secretary of the Treasury could not, as the law now stands, employ these local banks as fiscal agents. What, then, does the Senator purpose to do with the public money until the banks shall resume specie payment? It is supposed that so long as specie shall bear a premium in the market—so long as any portion of our foreign debt shall remain unsatisfied—this state of things must continue.

I cannot, Mr. President, from any view which I can take of the proposition of the Senator from Virginia, give to it my support.

The Senator from South Carolina has proposed an amendment to the bill, which I shall, with some reluctance, support. I should have much preferred the bill as it came from the hands of the committee. The principle involved in the Senator's amendment was matter of much discussion before the committee, and it was their conclusion, that a regard to the public interests required nothing more of them than to report the bill as it was reported, leaving the law of 1789 and the resolution of 1816 as obligatory as they had ever been. The committee believed that no inconvenience or embarrassment whatever would arise either to the Government, to the receivers, or to the public creditors, by leaving the law of 1789 and the resolution of 1816 as they now stand; and, in my judgment, the bill will not be improved by adopting the amendment proposed by the Senator from South Carolina. It, in effect, re-enacts the law of 1789 after the year 1841; and, to a certain extent, it, in effect, re-enacts the joint resolution of 1816 until 1841. Without the resolution of 1816, and without the amendment of the Senator from South Carolina, the practice of the Government would go on as it did anterior to 1816, with a proper regard to individual convenience and to public security.

Mr. President, I voted for the deposite act of June, 1836; and, with the Senator from New York, [Mr. TALLMADGE,] I have seen no cause to regret it. That vote was the deliberate act of my best judgment. It was given, not as has been avowed elsewhere, to make a gratuity to the States, or to make a systematic distribution of the common fund among the several States of this confederacy. No, sir, I voted for the deposite act with no such view, and for no such purpose. I voted for it, as it was upon its face, and as it was intended to be—a mere deposite bill. It cannot fail to be recollected, that great amounts of the public treasure had accumulated at particular points; that so great had been the accumulation at the places of deposite in the State of New York, as well as in some other States of the Union, that it was alleged on this floor that the public funds were thus put in jeopardy; and again and again was it reiterated, that it was the policy of the then administration so to control the public treasure as to influence public politics. This was matter of charge; and to do away so groundless an imputation, and to provide further for a transfer of portions of the public money then in deposite in

local banks, to the treasuries of the respective States, I supported the deposite act of June, 1836. Not a sentiment did I then utter, not a vote did I then give, which can be made to conflict with the views I now entertain of that measure. It was a deposite bill throughout.

The Committee on Finance, in relation to this subject, at the present session, have reported a bill providing for the postponement of the fourth instalment with the States, under the deposite act of June, 1836. That bill found favor with me in the committee. I was in favor of reporting it to the Senate. I gave it my vote on its passage; but, sir, were these proceedings irreconcilable with my support of the deposite act of 1836? No, sir, no. I have stated the circumstances which elicited my support of that bill. It was to provide additional and safe depositories for the keeping of portions of the public money. At that time we had in the various depositories more than forty millions of dollars; and on the 1st of January, 1837, we had in deposite thirty-seven millions, upon which the act was intended to operate. But, sir, nothwithstanding the peculiar phraseology of that act, it was never intended by its friends that the Government of the United States should part with its control over that portion of the public funds which had been, previous to the 1st January, 1837, in deposite with the banks, and was then in deposite with the States. It was the property of the Government, and subject to its control, in accordance with the provisions of the deposite act itself. But it was only that portion of the public money actually deposited with the States, which could be controlled by the terms of that act.

That part of the thirty-seven millions which had not, in point of fact, reached the treasuries of the respective States, could not be controlled by the act of June, 1836. It was subject to public appropriation. It had not been deposited with the States; and the States could not assert any claim to hold the public money under the deposite act, which had not actually been deposited with them. The Secretary of the Treasury had the same control, the same power, over the nine millions then in the local banks, as he had over any other portion of the public funds. It was subject to be controlled by the legislation of Congress: it was nothing more nor less than a portion of the public money; and, like any other portion, was alike liable to be absorbed by public appropriations.

The Government, then, could rightfully use this portion of the public funds; and, consequently, on the first of October, 1836, there would be no surplus which could be deposited with the States. The necessary and unavoidable demands of the Government had taken up the whole amount in the Treasury, and hence there could be no surplus; and for one, sir, I could not lend my aid in favor of any measure to borrow money for the purpose of depositing the same money with the States. I therefore voted for the bill to postpone the fourth instalment; and I voted against the amendment offered to that bill by the Senator from Pennsylvania, because I could not give my aid to any proposition which should treat this deposite with the States as a donation to the States, or which should give to the Secretary of the Treasury any less control of that portion of the public funds than he had over any other.

It has been often said during this debate, that the recommendations contained in the message of the President, and that the measures reported by the Committee on Finance, are not calculated to relieve the people from their present embarrassments; that they look exclusively to the accommodation of the Government. The Senator from Kentucky contended that the postponement of the deposite of the fourth instalment with the States, was calculated to increase the pecuniary pressure, and that the bill providing for the issue of Treasury notes was but the creation of a public debt. That it was prepared to withhold nine millions justly due to the States under the deposite act of June, 1836, and at the same time to impose a direct tax of ten millions upon their industry, for the redemption of the debt to be created by the issue of Treasury notes. Is this a fair and just exposition of the matter? If I am not wholly mistaken in the view which I have taken of this subject, the bill proposing to postpone the deposite with the States of the fourth instalment, is a relief measure not only to the depositories of the public money, but to the people themselves. It has been said here and elsewhere, that the amount required to be deposited with the States on the first of October next, was within the control of the Treasury Department; that there were available means in the Treasury sufficient for the purpose. If the fact be so, Mr. President, the course of the Secretary is plain; his duty is explicit, and that duty will be faithfully performed. If there is no want of means, there is no occasion for the action of Congress; the law is in full force, and the duty of the Secretary of the Treasury is fully set forth.

But the fact is not so; and it is the deficiency of means that has called for the interposition of Congress. If the Treasury was well supplied with available funds, how has it happened that, with so great unanimity, the Senate has, at this session, authorized the loan of ten millions of dollars? If the operations of the Government could be carried forward unaided, why has the Executive been authorized, by the act of the Senate, to issue ten millions of dollars in Treasury notes? There can be no mistake upon this point; it is too plain for argument; and the fact is incontrovertible that, if the fourth instalment shall be required to be deposited with the States on the first of October next, Congress must provide the means. They must authorize a loan to some amount for that express object, to enable the Treasury Department to execute the act.

Whether this has resulted from the inability of the deposite banks to fulfil their engagements to the Government, or whether it has happened in consequence of the failure of the merchants to pay their duty bonds, or whether from both causes, it is the same to the Treasury Department. Available means are not there, and will not and cannot be in the Treasury on the first of October, sufficient for the object; and hence the necessity of action on the part of Congress, either to provide the means, or to postpone the instalment.

Entertaining this opinion, Mr. President, I must differ with the Senator from Kentucky. I cannot but regard the postponement of the deposite of the fourth instalment with the States, at a time like this, as a relief measure—a relief to the local banks, to the depositories of the public money, and, of consequence, a relief to their debtors, to the people themselves.

If nine millions of dollars are to be deposited with the States, that amount must be drawn from the debtors to the Government, from the deposite banks and the importing merchants. If a requisition shall be made on the banks and upon the merchants, they would be compelled to enforce collections from their debtors, and there is scarcely an individual in the community, however obscure, but would feel this postponement as a relief and accommodation to himself. The banks and the merchants are the great creditors to the community, and any and every measure which shall relieve them, is in practice and in effect a relief to the people.

The postponement bill is a relief measure. The Treasury note bill is a relief measure; it is a mere temporary expedient; an authority to pledge the credit of the Government, until the debtors to the Government can pay their dues. The postponement of the payment of the merchants' bonds is a relief measure—directly to the merchants, but indirectly and in effect to the people.

The accommodation proposed to be extended to the deposite banks is a relief measure, giving time to those institutions, and enabling those institutions to give time to their

debtors. The warehouse bill is a great relief measure, requiring cash payment for importations which shall enter into the consumption of the country, and relieving the people and the Government from the very evils under which we are now laboring—the abuse of the credit system.

Each and all these measures look directly to the relief of the Government and the people; and notwithstanding the speculations of gentlemen here and elsewhere, with respect to the true character of these measures, let them but be adopted—the banks, the merchants, the people, will all unite in expressing to their authors their deep sense of gratitude.

When Mr. HUBBARD had concluded his remarks,

On motion of Mr. BUCHANAN,

The Senate adjourned.

FRIDAY, SEPTEMBER 29.

MERCHANTS' BONDS.

Mr. WEBSTER submitted the following resolution;

Resolved, That the Committee on the Judiciary report to the Senate what fees are due, by law, on the renewal of merchants' bonds, and whether any further legal provision on that subject be required.

Mr. WEBSTER said he had received several letters from New York on this subject, full of deep and loud complaints of the exorbitant amount of official fees charged on the renewal of merchants' bonds under the acts of Congress. In one case, said Mr. W., I learn that on renewing bonds to the amount of five or six thousand dollars, the fees amounted to 12 per cent. on the whole sum. I hope that there is some mistake in this, although my information is from a highly creditable source. I shall, of course, forbear comment on such a charge, until the fact be established. I do not know under what law this is supposed to be justified. There may be some Treasury regulation authorized by some act of Congress, or supposed to be so authorized. It is a matter which calls for immediate attention; and if the Senate adopt the resolution, I shall at once put the chairman of the committee in possession of the sources of my information.

Mr. KING, of Alabama, observed that he had himself received similar information from some very respectable quarters in New York, and he was induced to believe that there ought to be some prompt action on the subject by Congress to relieve from such oppression.

Mr. GRUNDY suggested whether it would not be preferable to refer the subject to the Committee on Finance, of which committee Mr. WEBSTER was a member.

Mr. WEBSTER. I believe, sir, that the member from Tennessee was not in his seat when I introduced the resolution. I say, again, therefore, that I have received some letters from New York, complaining very loudly of the fees charged on the renewal of merchants' bonds. In one case, it is said, on bonds amounting to six thousand dollars, the fees were equal to 12 per cent. on the sum. I repeat, sir, I do not desire to comment on such cases till the facts be established. That there is reasonable ground to believe that great abuses exist, I have no doubt. If they are as rank as represented, it is to be feared that the merchants will be fleeced to such an extent by these official fees, that the acts of Congress, intended for their relief, will be of very little benefit.

As the subject respects official fees, charged by a law officer, it belongs properly, no doubt, to the Committee on the Judiciary.

The Senate then resumed the consideration of the

SUB-TREASURY BILL.

Mr. BUCHANAN rose and addressed the Senate as follows:

Mr. President: It cannot be denied that the commercial and manufacturing classes of our people throughout the Union are now suffering severely under one of those periodical pressures which have so often afflicted the country. Neither has the agricultural and other interests escaped without injury, although they have not suffered to the same extent. The exhaustion of the human system does not succeed a high degree of unnatural excitement with more unerring certainty than that a depression in the business of the country must follow excessive speculation. The one is a law of nature, the other a scarcely less uniform law of trade. The degree of this depression will always bear an exact proportion to the degree of overaction. As many degrees as the system has been elevated above the point of healthy action, so many degrees must it sink below, after the effects of the stimulus have passed away.

What has been the history of the country in this respect? One of constant vibration. I can speak positively on this subject in regard to the period of time since I came into public life. What has been will be again. The same causes will produce the same effects. We can cherish no reasonable hope of a change unless the State Legislatures should take a firm and decided stand. The history of the past will become that of the future. This year we have sunk to the extreme point of depression. The country is now glutted with foreign merchandise. There will, therefore, be but few importations. All our efforts are now directed towards the payment of our foreign debt. The next year the patient will begin to recruit his exhausted energies. Domestic manufactures will flourish in proportion as foreign goods become scarce. The third year, a fair business will be done. The country will present a flourishing appearance. Property of all descriptions will command a fair price, and we shall glide along smoothly and prosperously. The fourth or the fifth year the era of extravagant speculation will return, again to be succeeded by another depression. At successive periods the best and most enterprising men of the country are crushed. They fall victims at the shrine of the insatiate and insatiable Moloch of extravagant banking. It is an everlasting cycle. The wise man says there is no new thing under the sun; and we are destined, I fear, again and again to pass through the same vicissitudes. The aspect is perpetually changing, but is never new.

Senators have plumed themselves, and their admirers throughout the country have applauded them, as being wonderfully sagacious in their predictions. Their respective partisans are ready to exclaim—

> "The spirit of deep prophecy he hath,
> Exceeding the nine Sybils of old Rome;
> What's past and what's to come he can descry."

But no deep penetration into futurity was required to make these prophecies. Until existing causes shall be removed, the future must be the counterpart of the past.

Whence this eternal vicissitude in the business of the country? What is the secret spring of all these calamities? I answer, the spirit of enterprise, so natural to American citizens, excited into furious action by the stimulus of excessive banking. It operates as does the inhaling of oxygen gas upon the human mind, urging it on to every extravagance and to every folly.

I do not deny that several subordinate circumstances have operated in unison with this grand cause to make the present catastrophe more severe than it otherwise might have been. Still it is the root of all the evil. It is the chief and almost the only source from which the existing distress has flowed.

I was not a member of this body when the discussion took place on the veto of the bank charter, or the removal of the deposites. Although both these measures received my cordial approbation, yet I refrain purposely from replying, at this late period, to the remarks which have been

made on these subjects. They have already passed into history, and been sanctioned by the public approbation.

Amongst these subsidiary causes of the existing distress may be enumerated the destruction of capital by the great fire at New York, in December, 1835. The wild speculations in public lands, and in splendid towns and cities, upon paper throughout the Western States, which withdrew capital from the commercial cities, where it was most wanted, to portions of the country where it was not required; and the specie circular, if you please, which, however wise it may have been in its origin, ought not, in my opinion, to have been continued in force after it had performed its office and had checked the wild speculations in public lands. I voted in favor of the bill at the last session which repealed this circular; and, under the same circumstances, I would again act in the same manner. But permit me to say that its effects have been greatly exaggerated. It did not carry to the West any thing approaching the amount of gold and silver which Senators have estimated. According to the report of the Secretary of the Treasury, all the specie in all the Western deposite banks, including Michigan, but little exceeded four millions of dollars at the date of the suspension of specie payments; and in the southwestern deposite banks it did not amount to one million two hundred thousand dollars. I shall not stop to inquire how much less gold and silver there would have been in these depositories had the specie circular never existed. Certain it is that the comparatively small amount of specie which came into these banks in consequence of this circular, could have produced but an inconsiderable effect on the business of our commercial cities, and still less upon the suspension of specie payments.

These causes may have made the revulsion a little more severe; but, had they never existed, still it must have come with desolating force.

Senators have attributed some portion of the existing distress to the act of 1834, regulating the standard of our gold coins. They have not told us, and they cannot tell us, how this act could have produced such an effect. It was no party measure, and, upon its passage, there were but few, I believe seven, votes against it in the Senate. It was a measure of absolute necessity, if we desired that our own gold coins should ever circulate in this country. Before its passage, a half eagle, as an article of merchandise, was intrinsically worth about five dollars and thirty-three cents in silver, whilst its standard value, as currency under our laws, was only five dollars. It is manifest, therefore, that eagles and half eagles never could have entered into general circulation had it not been for the passage of this act, which is now condemned. It was a mere adjustment of the relative value of gold to silver, according to the standard of other nations; and, if I am not greatly mistaken in my memory, conformed exactly in this particular with the laws of Spain and Portugal.

I have been utterly at a loss to conceive the cause of the hostility of Senators to this necessary measure, unless it be from a feeling similar to that which, it is said, made a distinguished gentleman desire to kill every sheep which came in his way. He could feel no personal hostility to these innocent and harmless animals; but, was such a violent anti-tariff man, that the sight of them always reminded him of our woollen manufactures. Certainly no gentleman can entertain any objection to the eagles and half eagles themselves; but they may remind Senators of the efficient and untiring exertions of the Senator from Missouri [Mr. BENTON] to introduce a gold currency into circulation. As gold, they may like these coins; but, as Bentonian mint-drops, they are detestable.

Senators have also contended that the present depressed condition of the country has been produced, in some degree, by the large importations of specie which were encouraged by the administration of General Jackson. I shall not be diverted from my main purpose by answering this objection in detail. Even if their position were correct, which I by no means admit, that more gold and silver had been forced into the country than our necessities demanded, or the fixed laws of trade would have justified, still the effect would have been transient and trifling. It would have immediately flowed back through the channels of commerce to the places from whence it came, until the par of exchange had been restored. This is one of the fixed and invariable laws of trade, from the obligation of which we can never be released.

The Senator from Kentucky, [Mr. CLAY,] in the course of his remarks upon this subject, involved himself in a strange contradiction. At the commencement of his speech he deprecated, with his usual eloquence and ability, the policy of the past administration in forcing specie into this country, contrary to the laws of trade. Towards the conclusion, when his fancy became excited by the contemplation of the splendid Bank of the United States which it was his purpose to establish, he seemed entirely to have changed his opinion. In order to obtain the necessary amount of specie capital, he proposed that some twenty or twenty-five millions of this bank stock should be transmitted to Europe and sold to foreigners in exchange for gold and silver. It was a violation of the laws of trade, which must recoil upon us, to force a greater amount of specie into the country than our just proportion, for the purpose of putting it into circulation among the people; but, when the purpose is to furnish a specie capital of twenty or twenty-five millions for a new bank of the United States, then all difficulties vanish from the mind of the gentleman.

No, sir, said Mr. B., without the agency of any of these secondary causes, the present distress must have come It was inevitable as fate. No law of nature is more fixed, than that our over-banking and our over-trading must have produced the disastrous results under which we are now suffering.

Is there now, in any of our large commercial cities, such an individual as a regular importing or commission merchant? I mean a merchant who is content to grow rich, as our fathers did, by the successive and regular profits of many years of industry in his own peculiar pursuit. If there be such persons, they are rare. No, sir, all desire to grow rich rapidly. Each takes his chance in the lottery of speculation. Although there may be a hundred chances to one against him, each, eagerly intent upon the golden prize, overlooks the intervening rocks and quicksands between him and it, and, when he fondly thinks he is about to clutch it, he sinks into bankruptcy and ruin. Such has been the fate of thousands of our most enterprising citizens. It is enough to make one's heart bleed to contemplate the blighted hopes and ruined prospects of those who have fallen victims to the demon of speculation. Many of them have been the most promising, and, but for this fatal error, would have become the most useful citizens of our country. Under the influence of this feeling, they not only risk their own all, but often the all of others which has been confided to them; not, as I firmly believe, with any deliberate purpose of being dishonest, but in the confident but delusive hope that fortune may smile upon their efforts and enable them to meet all their responsibilities.

Far be it from me to utter one word against the profession of the merchant. By their ability and enterprise our merchants have cast lustre upon the character of our country throughout the world. They are amongst our most useful citizens. They are agents for exchanging our productions with distant nations and among ourselves. Commerce is the handmaid of agriculture and manufactures; and Heaven forbid that I should be the instrument of exciting hostility between them. Again: I am the last man in the country who would crush that spirit of enterprise and of untiring effort which belongs to the American character. It has produced miracles. It has covered every sea with our flag. With a rapidity unexampled in the history of the world, it

has converted the wilderness into fruitful fields and flourishing towns and cities. It has erected splendid improvements of every kind. It has covered and is covering the face of our vast country with railroads and canals, and has enabled a nation, centuries behind in the start, to surpass all her rivals in the career of internal improvement. If I had the power, I would regulate this spirit; I would limit it within proper bounds; God forbid that I should destroy it.

It is impossible that manufactures and commerce can flourish to any great degree in this country without the aid of extensive credit. I would not, therefore, abolish banks if I could. A return to a pure metallic currency is impossible. To make such an attempt would be ruinous as well as absurd. It would at once diminish the nominal value of all property more than fifty per cent.; and would, in effect, double the amount of every man's debts. It would enrich creditors at the expense of their debtors, and thus make the rich richer, and the poor poorer. It would paralyze industry and enterprise. I would give enterprise wholesome food to feed upon; but would not drive it into mad speculation by administering unnatural stimulants.

What power does this Government possess to regulate the banking system of the country? None, comparatively none. It belongs to the States. We shall soon see whether they will exert this power in a wise and beneficial manner. Every obstacle has been removed from their course by the general suspension of specie payments. But the banks are all powerful. Their presidents, their directors, their cashiers, their stockholders, and their agents, pervade our whole society. They are spread over the land. A common interest will unite them in a solid phalanx for the purpose of making a common effort. They will invade our halls of legislation, and exert all the influence which they may possess with every department of our State Governments, for the purpose of preserving their exorbitant privileges. The people may now establish these institutions upon a stable and useful foundation. The conflict will be tremendous, and I confess I tremble for the result. The weal or the wo of this country, for many years to come, depends upon the issue.

In this crisis, all which the General Government can effect is, in the first place, to withhold its deposites from the banks, and thus refrain from contributing their funds to swell the torrent of wild speculation; and, in the second place, to restrain the extravagance of their credits and issues, in some small degree, by collecting and disbursing our revenue exclusively in specie, or in the notes of banks which will pay the balances due from them in specie, at short intervals. To accomplish these two purposes, as well as to render the public revenue more secure, are the objects of the bill and amendment now before the Senate.

The evils of a redundant paper circulation are now manifest to every eye. It alternately raises and sinks the value of every man's property. It makes a beggar of the man to-morrow who is indulging in dreams of wealth to-day. It converts the business of society into a mere lottery; whilst those who distribute the prizes are wholly irresponsible to the people. When the collapse comes, as come it must, it casts laborers out of employment, crushes manufacturers and merchants, and ruins thousands of honest and industrious citizens. Shall we, then, by our policy, any longer contribute to such fatal results? That is the question.

The system of extravagant banking benefits no person except the shrewd speculator, who knows how to take advantage of the perpetual fluctuation in prices which a redundant paper currency never fails to produce. He sees, in the general causes which operate upon the commercial world, when money is about to be scarce, and when it will become plenty. He studies the run as a gambler does that of the cards. He knows when to buy and when to sell, and thus often realizes a large estate in a few happy ventures. Those who have been initiated into the mysteries of the paper money market, can thus accumulate rapid fortunes at the expense of their less skilful neighbors.

The question before the Senate is not, whether we shall divorce the Government from the banks. The banks themselves have done that already. The alliance is already dissolved. The question now is, shall we, with all the experience of the past, restore this ill-fated union. No propitious divinities would grace the new nuptials; but the fatal sisters would be there ready again to cut the cord at the first approach of difficulty and danger.

The Senator from Virginia [Mr. RIVES] has appealed to us in the name of consistency to support his amendment. But circumstances have entirely changed since we voted for it at the last session. Then the union existed between the banks and the Treasury, and his bill prescribed the relative duties of the contracting parties. Now the contract is at an end. The banks have violated its fundamental obligations, and the Government is free. The preliminary question now is, shall we enter into a new alliance. We must first determine that we shall, before any question of consistency can arise. Should we again connect ourselves with the banks, then, and not till then, can we be called upon to adopt rules regulating the union. The amendment of the Senator from Virginia proceeds upon the assumption that our former relations are to be restored. I oppose the amendment mainly because I am hostile to this reunion. If Congress should first determine to restore the old relations between the parties, then, and not till then, might there be some force in an appeal to our consistency.

We are left at this moment entirely free to decide what is best to be done with the public money. To use the language of the Senator from South Carolina, [Mr. CALHOUN,] we have reached a point from whence we are about to take a new departure. But three courses have been, or in the nature of things can be, presented for our selection. We must either deposite the public money in a bank of the United States, to be created for that purpose; or restore it to the State banks; or provide for its safe custody in the hands of our own officers, without the agencey of any bank, State or national.

And, first, in regard to the creation of another bank of the United States. It was not my purpose, at this time, to offer my objections in detail to such an institution. Even if I had intended to present my views fully upon this subject, the overwhelming vote of the Senate on Tuesday last, against the establishment of such a bank, would warn me to forbear. It would be labor lost and time expended in vain. I shall content myself, therefore, with a few general observations upon this branch of the subject, and a short reply to some of the remarks which have been made by the advocates of a new bank.

In my opinion, the most alarming dangers which would result from such an institution, have never yet been presented in bold relief before the people. This has arisen from the unnatural position of that institution towards the Government. We have seen it struggling against Executive power; and its efforts have been tremendous. They would have been irresistible against any other President than Andrew Jackson. As it was, the conflict was of the most portentous character, and shook the Union to its centre. But we have witnessed the exception, not the rule. It is the natural ally, not the enemy of power. Wealth and power necessarily attract each other, and are always ready to rush to each other's embrace. In the language once used by a distingished orator, now no more, (Mr. Randolph,) "male and female created he them." Suppose General Jackson and the bank had been in alliance, and not in opposition. What then might have been the consequences, had he been an enemy to the liberties of his country. Armed with all the power and all the patronage which belong to the President of the United States, enjoying unbounded popularity, and wielding the combined wealth of

the country through the agency of this all-powerful bank and its branches, planted in every portion of the Union; can any man say that our liberties would not have been in danger? All the forms of the constitution might have remained; the people might still have been flattered with the idea of electing their own officers; but the animating spirit of our free institutions would have departed forever. A secret, an all-pervading influence, would have sapped the foundations of liberty and made it an empty name. Under such circumstances, a President might always select his successor. But, thank heaven, the danger has passed away, and I trust forever.

If any of my friends on this side of the House, who advocate the establishment of a national bank, should be elected President—and if their political principles are to prevail with a majority of the people of this country that majority could not make a better selection—in what situation shall we be placed? One of the first measures of the administration would be to establish a magnificent bank of the United States, with a capital of at least fifty millions of dollars, and with branches throughout the different States. A feeling of gratitude towards their creator would render them subservient to his will. It would be their pride and their pleasure to promote his influence and extend his power. We should have no more wars between the bank and the Government. They would move on harmoniously together. In other days, the time might arrive when the bank would be used by some bad and aspiring President as a powerful instrument to subvert the liberties of his country.

Even if such a bank could better regulate the currency and the domestic exchanges of the country than any other instrument, still it would be infinitely better to bear the ills we have than to endanger the existence or the purity of our free institutions.

But would such a bank control and regulate the issues of the State banks? I answer, no. It would not if it could; it could not if it would. In the affairs of human life, if you expect one agent to restrain and control another, you ought to render either their interests or their inclinations different and counteracting. To accomplish this purpose, they must be "antagonistical" to each other. When such agents are corporations, this is emphatically true. Peculiarly governed by self-interest, they feel no enthusiasm unless it be to make large dividends for their stockholders. Now, a bank of the United States would have precisely the same interest with the State banks in making extravagant loans and issues. Whenever, in their estimation, they could extend their accommodations, without endangering their own security, they would pursue that course. This is the powerful instinct of self-interest. You cannot change the fixed laws which govern human nature, by making men directors and stockholders in a bank of the United States. It is absurd to suppose that a large moneyed corporation, having in view solely its own interests, will voluntarily become the regulator of the paper currency of a great nation, and prevent those ruinous contractions and expansions under which both England and this country have periodically suffered. It would be easy for me to prove, at least to my own satisfaction, that, in point of fact, neither the first nor the last Bank of the United States ever did exercise a regular and efficient control over the issues of the State banks. On the contrary, whenever their interest impelled them to extend their own issues, they have pursued this course, and thus, instead of checking, they have given loose reins to the State banks. Both the one and the others have thus rushed together, and have together ministered to that spirit of over-trading and extravagant speculation which has so often desolated our country. To pursue such a course of illustration would, however, be to revive the old controversy; to tread the ground which has been so often trodden, and to divert me from that which more essentially belongs to the present question.

The mistake committed in regard to the deposite banks, was the belief that they would be able and willing to restrain the issues of the other State banks. Fortified with the public deposites, and numerous as they were, they might possibly have done something towards the accomplishment of such a purpose. But, bank like—human nature like—instead of aiming at any such result, the Government deposites became the instrument in their hands of still more extravagant credits and circulation. Their objects seemed to be not to restrain, but to give loose reins to the other banks and to themselves, and thereby increase their own profits.

But could a bank of the United States, even it would, regulate and control the issues of the State banks? I have a striking fact to present to the Senate which bears directly upon this point. The Bank of England has recently been placed in such a peculiar situation that it became its interest to use its power for the purpose of contracting the circulation of the local banks throughout the kingdom. It was compelled to make the attempt by an overruling regard, not only for its own security, but for its very existence. The effort proved wholly unavailing.

The Bank of England was rechartered for ten years in August, 1833. Previous to its recharter its capital was £14,553,000 sterling. This whole sum was loanded to the Government. According to the provisions of the last charter, one-fourth part of the debt due from the public to the bank was to be repaid. This was done by the assignment of that amount of three per cent. stock to the bank by the commissioners for the reduction of the national debt. But as no division has been made of this amount among the proprietors, the bank capital, for every practical purpose, may still be estimated at £14,553,000, or $70,000,000. This bank has branches at ten of the most important commercial and manufacturing points in the kingdom. Now, if such a bank be incapable of regulating and restraining the issues of the country banks, then no similar institution of which we can conceive could efficiently exert this power.

On the 28th December, 1833, the bank had in its vaults £10,200,000 sterling in bullion, or nearly one third of the amount of its circulation and deposites combined. On the 15th November, 1836, this amount of bullion had decreased to £4,933,000, or less than one sixth of its deposites and circulation.

After long experience, it is admitted by all sound practical men in England, "that the true principle upon which bank issues should be governed is, that the circulation should at all times be kept full, but without any redundancy; and the simple means by which this state of things may be determined and regulated, are (except on very extraordinary emergencies) offered by the state of the foreign exchanges." When these become against England so much that bullion is exported, then the issues of bank paper ought to be contracted to such an extent as to restore the equilibrium. The reason is obvious. When the paper currency becomes redundant, prices rise in the same proportion; and then it is more profitable to remit specie abroad, than to export any other article.

The state of the foreign exchange was against England. The specie of the bank was, therefore, gradually drawn from its vaults for exportation. It became necessary that it should make a vigorous effort to diminish the amount of the circulating paper medium, and thereby restore the equilibrium of the foreign exchanges. For this purpose it contracted its issues in the vain hope that the joint stock and private banks would be compelled to follow the example. What was the consequence? I will not repeat the facts which have already been stated, though for another purpose, by the Senator from Georgia, [Mr. KING.] It is sufficient to say that, as it contracted, the other banks of the kingdom expanded their issues; and that, too, in a greater proportion than its issues were diminished. Prices

still continued to rise, and bullion still continued to be drawn out of the bank for exportation. The utter impotency of this grand regulator of the currency to keep the paper circulation of the kingdom within such limits as to prevent the exportation of gold and silver, has thus been so clearly demonstrated, that several of the ablest men in England despair of accomplishing the object in any other manner than by restricting the issues of paper money to a single bank, and regulating their amount by the Government. Here, then, is an important fact, incontestably established. If this be true, and there can be no question of it, I would ask Senators how a national bank, even with a capital of fifty millions of dollars, could regulate and restrain, within proper limits, the issues of eight hundred State banks, scattered over the whole extent of this vast country. The thing is impossible. It cannot be done by such a bank. I call upon Senators who entertain a different opinion to furnish any explanation of this conclusive fact. Unless they can do so, then they must abandon one of their strongest arguments in favor of the creation of a bank of the United States.

By the same fixed and universal law of commerce which I have just stated, whenever the paper currency of the United States becomes so inflated that prices rise beyond their proper standard, then it becomes profitable to import every foreign production into our country, and for the same reason our exports are diminished. Specie must then go abroad to pay the balances against us. In order to supply it, the banks must be exhausted of their store. They must contract their issues, and their debtors must suffer distress. Such has been the history of our country at several successive periods, and such it must continue to be, unless bank issues should be regulated by the State Legislatures.

The Senator from Kentucky [Mr. CLAY] has contended that the constitutionality of a bank of the United States ought no longer to be considered an open question. That it ought to be regarded as settled by the past action of Congress, and by the decision of the Supreme Court of the United States. From this opinion I beg leave to dissent. From my early education, and my pursuits in life, I have been taught to entertain a high degree of reverence for judicial decisions. I feel disposed in all cases to yield to them their proper influence. If Congress should create a new bank of the United States, and the judiciary should decide it to be constitutional, I would bow with submission to their authority. The good order and peace of society require that such should be the conduct of our citizens, whatever may be their private opinions. But after the charter has expired by its own limitation, and when Congress are again called to act *de novo* upon the subject, I should feel myself at perfect liberty to exercise my own judgment. In forming my opinion, I should treat with great deference and respect the former acts of Congress, and the opinion of the Supreme Court; but, after all, if they should fail to convince me, I would consider myself guilty of moral perjury before Heaven if I voted for such a bill. I have sworn to support the constitution of the United States; and my own judgment must be convinced that a law is constitutional before, acting in a legislative capacity, I can give it my sanction. I cannot cast the responsibility of such a vote upon others. It is exclusively an affair between me and my own conscience. If men, acting in a legislative character, should, in all cases, consider themselves bound by judicial decisions, what would be the consequence? The judges who, in all ages and in all countries, have had a leaning in favor of the prerogatives of Government, would be the arbiters of popular rights and popular liberty in the last resort. There could be no appeal from their decision upon great questions of constitutional liberty; even when they arose before the Legislature in cases where the personal or private rights of the citizen could not be affected. Their decisions would become as irreversible as the laws of the Medes and Persians. They would be sacred as the constitution itself.

Congress passed the sedition law in 1798 in express violation of that provision of the constitution which declares that "Congress shall make no laws abridging the freedom of speech or of the press." This act was more equitable in its provisions than the common law, because it permitted the defendant to give the truth in evidence. The popular odium which attended it was not excited by its particular provisions, but by the fact that any law upon the subject was a violation of the constitution.

It is now admitted by ninety-nine persons out of a hundred that Congress, in passing this act, transcended their powers; and yet this law was declared to be constitutional by the Judiciary, doubtless with honest intentions. American citizens were indicted, and tried, and convicted, and sentenced and suffered fine and imprisonment under its provisions. If it were again proposed to pass a similar law, I ask the Senator from Kentucky whether he would feel himself bound by these decisions to believe and to vote that such a law was constitutional. I feel assured that he would not. Upon the same principles the infamous decisions of a Jefferies or a Scroggs against the rights and liberties of the people of England ought to have been held sacred, and the glorious revolution of 1688 was an act of usurpation. The decisions of judges, except on the particular case before them, may, like all other human things, be corrected by the experience of time, and the lights of knowledge.

The Constitution of the United States confers upon Congress the power "to lay and collect taxes, duties, imposts, and excises," &c.; and, after enumerating other powers, authorizes us "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers." The advocates of a national bank have derived the power to create such an institution from these two clauses. They have contended that a national bank is a necessary and proper instrument to collect, to keep securely, to transfer, and to disburse the national revenue; and therefore that it is constitutional. Such seems to have been the opinion of the Supreme Court, as delivered by Chief Justice Marshall in the case of McCullough against the State of Maryland. But that very decision is based upon the principle, that if Congress have determined such a bank to be an appropriate means to carry into execution this taxing power, the Judiciary could not interfere and declare that it was not. The degree and the urgency of this necessity must at last be left to the Legislature, unless in extreme cases. Upon an application for a new charter, the question appears thus to be referred by the Judiciary itself to the Legislative authority. Every member, should the case arise, must ask himself whether a bank of the United States be a necessary and proper instrument to carry into execution the taxing power of the Government. If he decides in the negative, he cannot vote in favor of establishing such a bank without personally violating the constitution.

And here I should have concluded the observations which I had intended to make on the subject of a bank of the United States, had it not been for the remarks made yesterday by the Senator from Massachusetts, [Mr. WEBSTER.] He came out strongly in favor of a bank—no, I ask his pardon, he did not—because he solemnly disclaimed any such imputation when it was made upon him by the Senator from New Hampshire, [Mr. HUBBARD.] I confess, if it had not been for this disclaimer, I should have fallen into the same error; because he insisted upon it, that, during forty years of the period which had elapsed since the adoption of the constitution, the first and the last Bank of the United States had furnished the country a perfect currency, and had regulated our domestic exchanges to admiration. The gentleman had urged these topics strongly, and had pointed out no other specific mode of

regulating the currency and exchanges but through the agency of a bank; hence, it was natural to infer that he intended to advocate such an institution.

What, then, was the Senator's main position? In this I think I cannot be mistaken. I wish to state it distinctly and fairly. He contended that Congress not only possess the power under the constitution, but that it is their imperative duty to create and furnish for the people of this country a paper currency which shall be at par in all portions of the Union, and everywhere serve as the medium of domestic exchanges. In what particular mode, or by what means, this paper currency was to be called into existence, the Senator did not explain. On this point he was quite mysterious. He infers the existence of this power from two clauses in the constitution: the first, that which confers on Congress the power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes;" and the second, "to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures."

[Here Mr. Webster also referred Mr. B. to that clause of the constitution which prohibits the States from coining money or emitting bills of credit.]

What, in my opinion, constitutes the chief excellence of the Senator from Massachusetts, as a public speaker, is the clearness with which he states his propositions, and his power of condensation in maintaining them. When he happens to be in the wrong, these high qualities operate against himself, and render his errors more conspicuous. Such was my conviction yesterday, when he undertook the Herculean task of deducing the power to create a paper currency, without any limit but the discretion of Congress, from the simple powers of regulating commerce, and coining hard money.

By the state of the question before the Senate, the gentleman has b en driven into a narrow place, and has chosen a position which his great powers will not enable him to maintain. The bill upon your table proposes to keep on deposite, and to transfer the public revenue, where it may be required, without the agency of any bank. If these duties can be successfully performed by the officers of the Government, then there can be no pretence for claiming the power to incorporate a national bank from that clause in the constitution giving Congress the power "to lay and collect taxes, duties, impost and excises, and to pay the debts of the United States." The present bill provides for all these purposes, independently of all banks. There can, then, be no necesssity to create one as a fiscal agent of the Government; and, of consequence, the ancient argument in favor of its constitutionality falls to the ground. This was its origin: this was the foundation on which it has formerly rested. The power to issue notes, and that to regulate the exchanges of the country, have heretofore been considered as merely incidental to the bank itself, after it had been called into existence as a necessary fiscal agent of the Treasury. These have never been considered as powers inherent in the Government, but as mere consequences of the regular action of a national banking institution. Under existing circumstances, the Senator is driven even from these comparatively narrow limits. He disclaims the idea of advocating, at present, the establishment of a national bank. Hence he has never once, throughout the whole course of his argument, called to his aid the power "to levy and collect taxes." He has not even mentioned it. He casts this power into the back ground; whilst he claims for Congress, from the other clauses of the constitution which I have read, the transcendant power of creating a paper currency without limits.

Let us for a few moments examine his argument. The framers of the constitution were sturdy patriots, who, with a bold but cautious hand, conferred upon the General Government certain enumerated powers. Dreading lest this Government might attempt to usurp other powers which had not been granted, they have expressly declared that "the powers not delegated to the United States by the constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people." This caution was absolutely necessary to prevent astute and subtle lawyers from extending, by forced and ingenious constructions, the clear and explicit grant of powers which was traced by the hand of our fathers. Does the constitution, then, anywhere expressly confer upon Congress the power of creating a national paper currency? This is not pretended. But the Senator from Massachusetts has found it lurking under the power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes." What is the signification of the word "regulate?" Does it mean to create? No, sir. Such a signification would be to confound the meaning of two of the plainest words in the English language. You create something new; you regulate the action of that which has already been called into existence. The meaning of the word "regulate," as used by the framers of the constitution themselves, clearly appears in a subsequent clause in the instrument: "Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures." To coin money, is the creation of the subject; after it has been coined, and thus brought into existence, you regulate the value of it and of foreign coin. There are no two words in the English language which have more distinct and precise meanings than to "create" and to "regulate." The word "regulate" necessarily presupposes the previous existence of something to be regulated. Such is its plain, clear signification in the constitution. Commerce had long existed "with foreign nations, and among the several States, and with the Indian tribes," previous to the date of the constitution. Its framers took the subject up as they found it, and, acting upon the existing state of things, they authorized Congress to regulate, or to prescribe rules for conducting this commerce in all future times. To infer, therefore, from this simple power of regulating commerce, that of creating and issuing a supply of paper money for the country, strikes me as one of the most extraordinary propositions which has ever been presented to the Senate.

The limited signification of this word "regulate," will appear conclusively from the history of this provision of the constitution. Under the confederation, each State acted independently of the others in framing commercial regulations. The consequence was, that whilst some States imposed high duties on the importation of foreign merchandise, others admitted it into their ports at low rates, or free of duty altogether. No commercial treaty upon principles of reciprocity could be carried into execution with foreign nations, because, whilst the several States exercised this prerogative, there could be no uniformity of duties. Again: those States which admitted foreign productions either without duties or at low rates, endeavored to force them into the consumption of the neighboring States where the duties were higher. They could, of course, undersell the merchants who had been compelled to pay these higher duties of their own State. Thus the revenue laws of one State were counteracted by those another; and a war of commercial restrictions arose among themselves. These were not only the reasons for adopting the clause in the constitution authorizing Congress to regulate commerce, but they were the immediate cause for assembling the convention which framed the constitution itself. This may be seen from the proceedings which led to the adoption of that instrument, contained in the first volume of the Laws of the United States.

The States were jealous in the extreme upon this subject. They were reluctant to yield to Congress the power of regulating commerce. Some of them proposed to sur-

render it for a term of years, whilst others refused to do any thing. On the 13th July, 1785, a committee of Congress, of which Mr. Monroe was chairman, recommended an amendment to the articles of confederation, containing, among other things, a provision that the United States, in Congress, should have the exclusive power "of regulating the trade of the States, as well with foreign nations as with each other, and of laying such impost and duties upon imports and exports as may be necessary for the purpose." This provision was subject to several conditions and limitations which I need not repeat. The meeting at Annapolis, in September, 1786, was held for similar purposes, but commissioners from five States only were present, who declined to act upon the subject, and recommended the assembling of the convention which formed the present constitution of the United States.

From this brief review you may judge, Mr. President, what would have been the astonishment of those jealous patriots, who, with a reluctant hand, conferred this power upon Congress to regulate commerce, if they had been informed that it contained within itself the vast, the undefined and undefinable power of creating a paper currency, without limit and without restriction. In some of the State conventions which were assembled for the purpose of ratifying the Federal constitution, extreme inferences were drawn, according to the spirit of the times, as to the powers which might be assumed by Congress from the language of the instrument. But no man in America, however haunted he might have been with the wildest apprehensions of Federal power, ever imagined that there was lurking under the simple power to regulate commerce that of establishing a national paper currency. The Senator from Massachusetts has first detected this slumbering power. The word "regulate," says Crabbe, in his Synonymes, "is applicable to things of minor moment where the force of authority is not so requisite." It is inferior in potency to the words "rule," "govern," or "direct." In the hands of the Senator from Massachusetts, however, it becomes all-powerful. He can conjure with it, and raise up the phantom of an all-pervading and unlimited paper currency.

The Senator from Massachussetts has commented upon the propositions laid down by the President in his message, that "it was not designed by the constitution that the Government should assume the management of domestic and foreign exchanges," and "that as justly might it be called upon to provide for the transportation of the merchandise of individuals." Now, sir, might not the gentleman as fairly deduce this power from that of rugulating commerce, as the power of issuing paper money? Nay, might it not be done more directly? The first implication would naturally be, Congress possesses the power to regulate commerce, therefore, you may infer the power of transporting merchandises without which commerce cannot exist. But commerce is the exchange of commodities; and where they are not of equal value, some medium is necessary to pay the difference; therefore Congress possesses the power of creating a paper currency for this purpose. The power to transport merchandise is one step nearer to the fountain head than that of issuing paper. If you adopt such constructions of the constitution, you are at sea without chart or compass; and that instrument may be made to mean any thing or nothing. The plain and obvious intention of its framers is sacrificed to the spirit of metaphysical subtlety, and to the desire of extending the powers of the Federal Government.

The Senator asks is it possible that the constitution has given to Congress the power over commerce, and yet has provided no currency by which it may be conducted? I answer that the framers of that instrument were guilty of no such absurdity. They have provided a medium of exchange the best in the world. They have empowered Congress to coin money, and to regulate the value thereof and of foreign coin. They were hard-money men. To use a forcible expression of the Senator himself, they make gold and silver currency the law of the land at home, as it was the law of the world abroad. This is the medium and the only medium of exchange which they have provided.

And yet, sir, from this clear and precise power "to coin money, and regulate the value thereof and of foreign coin," the Senator from Massachusetts also deduces the power of issuing paper money; and he has seriously insisted upon this argument. I confess I feel myself utterly at a loss to answer it. To contend that because Congress have derived from the constitution the express power, and that only, of coining gold and silver money; that, therefore, it is their right and their duty to create paper money, appears to me, with all due deference, to be a monstrous proposition. It cannot be maintained for a moment. The framers of the constitution have evinced their intention as clearly as human language can manifest it, that our currency should be gold and silver alone; and they have prohibited the States from making any thing else a legal tender. And yet the Senator contends that, from these very provisions, a power results to Congress of creating a paper circulation for the country. The framers of the constitution knew nothing of any paper currency, except that of the Revolution. This they would not touch; they did not name it. It was an example forever to be shunned, and never to be followed. And yet they have done their work with so little skill, that they have authorized Congress to create a paper currency for the whole Union, which shall serve as the medium of our domestic and foreign exchanges! The constitut on has established gold and silver as the currency of the country, and therefore it is contended they have authorized the emission of a vast paper circulation.

Now I most sincerely believe, that if any such constructions can prevail, then all the boundaries of Federal power are at once prostrated, and we are rapidly on the march towards consolidation. It was in vain that our ancestors granted powers to this Government with a jealous hand, and studiously sought to preserve the rights reserved to the States. It was in vain that they made a specific enumeration of the powers of Congress, and withheld from us all incidental powers, except such as might be necessary and proper for carrying those which were expressly granted into effect. All limitations are at once prostrated, and our written constitution secures us nothing. It has become clay in the hands of the potter, ready to assume any shape and receive any impression which the passions or the prejudices of the hour may dictate.

Two political schools have existed in this country from the time the constitution was adopted. The one favored a strict, the other a liberal, construction of the instrument. The one has been jealous of State rights, the other the advocates of Federal power. The Senator from Massachusetts, if we may judge from his argument upon the present occasion, is far in advance of those who have hitherto gone the farthest in support of Federal power. He has made large strides towards consolidation or centralism. I use these terms with no offensive meaning.

I have now reached the question whether the public deposites ought to be restored to the State banks. I contend that they ought not; first, because these banks are not and never have been safe depositories of the public money. In other words, the experiment has entirely failed.

What is the great and peculiar privilege conferred upon a bank of deposite, discount, and issue? A bill or promissory note is presented, with one or two good endorsers, and between six or seven per cent. per annum is discounted from its face. What does the bank give in return? Either a credit entered on its books, or bank notes payable on demand; and in either case without interest. Their offer to their customers is: I will give you my notes without inter-

est in exchange for your notes, from which the interest shall be deducted in advance. In consideration of enjoying this profitable privilege, banks are bound by the duty which they owe the public, always to preserve themselves in such a condition as to be able to answer all the demands made upon them in the regular course of business, in bad as well as in good times. It is not sufficient that they should be able to navigate a smooth sea when the gales are prosperous. They ought to be strong enough to endure the storm. If they fail when the community most requires their support, then they are worse than useless. They have not answered the purposes of their existence.

It is a common remark that the public will not eventually suffer from their failure, provided their debtors be at last good for the amount which they owe. The same observation might be made with equal justice in regard to a man not worth a dollar, if he had been able to issue his own notes without interest, to the amount of one hundred thousand dollars, in exchange for a like amount of the notes of solvent individuals bearing an interest. If his debtors should be able to pay him, he will eventually be able to redeem his notes. But this is not banking: it is speculating upon mere credit, without any solid capital to sustain it.

According to the testimony given before the secret committee of the House of Commons, by the directors of the Bank of England, previous to its recharter, it appears that the principle upon which they had proceeded in regulating their issues, was to have as much coin and bullion in their coffers as amounted to a third part of the liabilities of the bank, including sums deposited, as well as notes in circulation. This rule of one for three may, or may not, be a correct standard. I shall not pretend to determine this point. That bank has since been compelled to depart from it by causes similar to those which have crushed our own banking institutions. This I will say, however, that if one dollar in specie, for three of circulation and deposites, be no more than a safe standard for the Bank of England, then our banks ought to have a larger proportion of the precious metals to render them secure. The circulation of each one of our eight hundred banks is limited within a narrow sphere. Their paper does not travel far from home. When a panic arises, from any cause whatever, nearly their whole circulation may be poured in upon them in the course of a very few days, and thus they may be compelled to suspend specie payments. Not so the Bank of England: its circulation is co-extensive with the kingdom, and its notes are everywhere a legal tender, except at its own counter. The joint stock and private banks pay their own notes with notes of the Bank of England. It follows, as a necessary consequence, that it would require much time to make an extensive run upon this institution; and any panic which might arise would have ample opportunity to subside before their specie could be exhausted.

When the deposite bill was before the Senate at the last session, the Senator from South Carolina offered an amendment prohibiting the Secretary of the Treasury from employing any bank as a depository of the public money, unless it had one dollar in specie for five of its circulation and deposites, public as well as private. This proposition, at that time, received my hearty support. The whole subject was afterwards referred to a select committee, of which I had the honor of being a member; and they reported a provision in substance requiring each depository to have one dollar in specie for five of its circulation and private deposites. You will observe, sir, that the public deposites were entirely excluded from this provision. They were not taken into the estimate. No proportion of specie was required to secure them. One would suppose that, in all conscience this provision was sufficiently liberal towards the banks. When the bill afterwards came to be discussed before the Senate, it was found that even this limitation would deprive many of these banks of the public deposites; and according to my recollection, in which I think I cannot be mistaken, if we had made it one for ten, several of them would have been excluded. For this reason the Senate determined, against my feeble efforts, not to require the banks to hold any fixed proportion of specie compared with their circulation and deposites. Every provision on the subject was stricken out of the bill, and the amount of specie which the banks were to hold was left entirely to the discretion of the Secretary of the Treasury. On that occasion I turned prophet myself, as several of my friends on this floor can testify. I anticipated an explosion of several of the deposite banks, but it came sooner than I had expected.

Under these impressions, you may judge of my astonishment when I saw it stated by the Secretary of the Treasury in his late report, speaking of the deposite banks in the aggregate, that "their immediate means, compared with their immediate liabilities, were somewhat stronger in November than May, but were at both periods nearly one to two and a half, or greater than the usual ratio, in the best times, of most banks which have a large amount of deposites in possession." To sustain this assertion, he refers to table Q in the appendix of his report. Upon examining this table the difficulty at once vanished. I found that the Secretary, instead of deducting the amount due by these banks to other banks, from an aggregate composed of the amount due from other banks to them, and the notes of these other banks in their possession, and setting down the balance as an item of the immediate means of deposite banks, had placed the sums due to other banks on one side of his statement, and the notes of other banks, and the sums due from them, on the other. The inaccuracy of this course of proceeding will appear clearly from a brief example which I shall present. Suppose a bank to possess $100,000 in specie, and its circulation and deposites to amount to $400,000. It would then stand as one to four. But suppose it owed a balance to other banks of $200,000, and other banks owed it precisely the same amount; by adding these sums of $200,000 to the one and to the other side of the statement, you would change the apparent condition of the bank, and make its immediate means the one-half, instead of the one-fourth, of its immediate responsibilities. In this very manner, as all can perceive who will examine the Secretary's statement, has he brought the average condition of the deposite banks up to the standard of one for almost two and a half.

These accounts between the banks are often adjusted. Balances are suffered to remain with each other, because they can at all times be readily commanded for immediate use. If one bank has money in the vaults of another in its immediate vicinity, it is the same thing as if it were in its own vaults. Upon the least pressure it would be withdrawn. Therefore, the balance due to one bank from another upon settlement, and not the full amount, can only be estimated among its immediate means.

According to this method of calculation, which is clearly the only just mode which can be adopted, the deposite banks, in the aggregate, have not quite one dollar of immediate means to meet four dollars forty cents of their immediate responsibilities; and that they have even this proportion, proceeds upon the supposition that they can command the balances due to them from other banks in specie. If they cannot, the specie in their possession would not equal one dollar for seven dollars and fity cents of their circulation and deposites.

Now this is the average condition of all the banks. Many individual banks among them are in a better condition, whilst many others are in a much worse.

The Secretary of the Treasury, in the same table, (Q.) has presented the "condition of deposite banks on or about June 15, 1837, in different sections of the country." In this table he classifies these banks under six different

heads, according to the different portions of the Union within which they are situated. One of these classes is Alabama, Mississippi, Louisiana, and Tennessee; and it appears that the deposite banks in these States have not one dollar of immediate means for twenty dollars of their immediate responsibilities! The whole amount of specie in their vaults is $1,168,022, whilst the balance due by them to other banks is $2,516,773. All the specie which they possess would thus be less by $1,348,751 than sufficient to pay this balance. Independently of it, there would then be left $21,480,819 of circulation and public and private deposites, without one dollar of specie to meet it; and in these banks a large proportion of the public revenue is now deposited.

The deposite banks in New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia, are classified together. Their specie, and the balance due to them from other banks, amounted, on the 15th June last, to the sum of $1,732,478; whilst their circulation and public and private deposites were $9,357,947. Thus it appears that these banks had not one dollar of immediate means for five dollars and forty cents of their immediate responsibilities. If the balance due to them from other banks, which amounted to $987,921, is not to be considered as immediate means, then their specie, to wit, $744,557, is not equal to one dollar for twelve dollars and fifty cents of their immediate responsibilities.

The deposite banks of Virginia, North Carolina, South Carolina, and Georgia, which are classed together, had in specie, and the balance due to them from other banks, $2,245,423, whilst their circulation, and public and private deposites, amounted to $13,423,627. Thus these banks had not one dollar of immediate means for five dollars and ninety-five cents of their immediate responsibilities. If the balance due to them upon a settlement with other banks, amounting to $176,469, be excluded from the estimate, then their specie, to wit, $2,068,954, is not equal to one dollar for six dollars and forty-five cents of their immediate responsibilities.

The deposite banks in each of the other three classes, composed of the New England States, New York, and the Western States, including Michigan, were not in so bad a condition. Their immediate responsibilities were so much greater than one dollar for four dollars and forty cents of their immediate responsibilities, as to bring the general average of all the deposite banks throughout the Union nearly down to that standard.

I have not examined each of these banks in detail. No doubt many of them are in a sound condition. My object is to show that the system, as a whole, cannot be relied upon by the General Government. I am one of the last men in the Senate who would attack the credit of individual banks. I, therefore, purposely avoid going into particulars. I shall proceed no further than the course of my argument renders indispensable, and therefore justifies.

The suspension of specie payments throughout the country has, in one respect, been a most fortunate occurrence for the deposite banks along the Atlantic seaboard. It has enabled them to pay nearly the whole amount of the public deposites in their possession in their own depreciated paper. The public creditors were compelled to accept drafts upon them, because the Secretary of the Treasury had nothing better to give; and thus their debt to the Government has been nearly extinguished. The balance still remaining due to us is chiefly deposited in banks beyond the mountains.

The Senator from Kentucky [Mr. CLAY] has used some strong expressions in regard to the power which the bill authorizing the Secretary of the Treasury to settle with the deposite banks has conferred upon that officer. He said it was greater than ever ought to be confided to any man under a free Government, and would operate severely upon the banks. And what is this power? These institutions had agreed to receive our funds on deposite, and to credit them as cash to our account. They are liable, by the terms of their own contracts, to be drawn upon, at any moment, for the whole amount in their possession. We know that they are unable to pay, and therefore interpose for their relief. We authorize the Secretary to give them time, and to accept the balance due from them in three instalments, payable at the end of four, six, and nine months; charging them no more than two per cent. interest. If they fail to comply with these reasonable terms, then we direct suit to be brought. And yet this has been denounced as confiding a dangerous discretion to the Secretary, and as a great hardship upon the banks—with what justice, I leave the Senate to decide.

And this is the experiment, which, according to the Senator from Virginia, [Mr. RIVES,] has not failed. This is the experiment to which we ought to give another trial. I tremble for my country when I reflect what may be its condition hereafter, should its treasures be again entrusted to such depositories. No nation can expect perpetual peace. Dark and portentous clouds are now gathering in the North. The Maine boundary question is assuming a threatening aspect. In the South, we have serious disputes with Mexico. If war should come, and find us with our treasures locked up in such depositories as we have had, the embarrassments of the country will be of the most formidable character. Many of these banks could not exist for a moment, if it were not for the boundless, extravagant, and foolish confidence of the public. The inflated bubble when touched by the spear of Ithuriel, must explode and dissolve into thin air. The whole fabric is built upon the sand, and "when the rain descended, and the floods came, and the winds blew, and beat upon that house, it fell; and great was the fall of it." Nay, sir, a puff of air was sufficient to overturn it.

Apprehensions have been expressed, and no doubt felt in the course of this debate, lest a perpetuation of the divorce which now exists between the Treasury and the banks, might lead to the establishment of a bank of the United States. This event would, in my opinion, be much more probable should the late system be restored. It is, therefore, natural that the friends of such a bank should be in favor of this restoration. In such an event, let war come when it may, you will then not only be deprived of your own treasures, but specie payments will be suspended, the currency of the whole country will be deranged, and you will not be able to collect taxes from the people, unless it be in depreciated paper. At such a crisis, a bank of the United States becomes inevitable. Let us then keep our money under our own control. Let us always have it ready for use when it is required. Let us depend upon no banks, whether State or national, for this purpose.

It may be said that although the banks have suspended specie payments, yet the deposites which we have made with them will eventually be paid. This may, or it may not be. I doubt extremely on that point. If the event were certain, however, this is no answer to the objections against employing such depositories. In the day of danger they cease to be banks. Your money, which is the sinew of war, is withheld from you at the hour of your utmost need. Your resources are dried up, and your energies paralyzed, at the very moment when the utmost energetic energies are demanded. It would be but a poor consolation, either to the Government or people of this country, that, after having suffered all the evils and calamities of such a catastrophe, the commissioners of insolvency should finally pay them twenty shillings in the pound.

In the second place, I am opposed to returning to the system of deposite banks, because I feel no confidence that, upon a second trial, it would prove better than it did on the first.

From the very nature and present organization of our State banking institutions, they must go from bad to worse. Their tendency is downward, and unless arrested by the vigorous action of the State Governments, the whole system must rush to inevitable ruin. I defy the art of man to devise a worse banking system than that which prevails throughout this country. The model of it upon paper was the Bank of England; but the whole capital of this bank is vested in loans to this Government, and is therefore as secure as the Goverment itself. Such is not the condition of any of our institutions. The public have no security that the whole amount of their capital stock may not be squandered; and the fact is, according to the statement of Mr. Gallatin, that one hundred and sixty-five of our banks broke between 1811 and 1830.

These banks, or all of them with which I am acquainted, enjoy, under their charters, a privilege which exempts their stockholders, in their individual capacity, from the payment of any of the notes or debts due by the corporation, in case it should become insolvent, There is, I believe, no restriction any where upon the amount of their profits or dividends, unless it be a trifling tax. And they are nowhere required to have any fixed proportion of specie in their vaults, compared with the amount of their circulation and deposites; certainly they are not in the State which I have the honor in part to represent.

If the Senator from Massachusetts and myself enter into a partnership to prosecute any business, and the partnership should fail, the private fortunes of each of us would be responsible for the debts of the concern. The partners and shareholders in the private or joint-stock banks of England are placed in the same situation. No holder of such bank notes in that country, none of their depositors can lose one dollar, until after the private fortunes of all the stockholders shall have been exhausted. This is a great security to the public. Not so the bankers in this country. They are a privileged class. That business which is more profitable than any other is conducted without any such risk. Cupidity is unrestrained by any such apprehension. It has a fair field to display itself. Each man puts into the concern the amount of his stock. When that is paid, the bank proceeds to make money as fast as it can, without the fear of future responsibility. How great is the temptation to excess! These banks create money as if by magic, in the form of bank notes or bank credits. These they exchange with individuals for their own notes or bills of exchange, discounting a high rate of interest from their face. Their extravagant issues and credits gave a stimulus to extravagant speculations; and our past history proves that the more they loan, the greater is the demand for new loans. The supply never equals the demand. The last few years has been the golden age for banks. I have no means of ascertaining their profits in different portions of the Union. I am sorry that the deposite law did not require the deposite banks to return to the Secretary of the Treasury the amount of their dividends. From all the information which I have received, they have been enormous. The Senator from Georgia [Mr. KING] has informed us that the banks in the city where he resides (Augusta) have divided, during the last year, at the rate of fifty per cent. per annum.

These extravagant profits have tempted the avarice of our citizens. Each one desires to reap his portion of the golden harvest. Our legislative halls have been beset by borers for new banks, genteely denominated lobby members. Rich rewards and splendid gifts have been made to those of them who proved successful. The State Legislatures have too often yielded to their importunities. Then comes the struggle among competitors to obtain the stock. The scenes which have occurred upon such occasions, in some of our large cities, I shall not attempt to describe. It rises instantly above par; and those who have been fortunate in the struggle, may sell out at an advance. This stock, in many instances, is not paid for in money, but in what are called stock notes. The new bank starts, often without any large proportion of solid capital, to run the same career, which seems to be prescribed to it by the law of its nature.

Bank capital, bank notes, and bank loans, have increased with alarming rapidity for the last few years. The President, in his message, states that between the commencement of the year 1834, and the first of January, 1836, the bank capital of the country had increased from $200,000,000 to $251,000,000; the notes in circulation from $95,000,000, to $141,000,000; and their loans and discounts from $324,000,000 to $457,000,000. We know that since the first of January, 1836, the increase has still been proceeding at a rapid rate, and many new banks have been created; but after that period, we have received no accurate information of their capital, or of the amount of their issues and loans.

Upon any sudden revulsion of trade, these banks either sink under the weight they have heaped upon themselves, as they have recently done; or, if they survive the shock, they greatly injure, or wholly ruin, those members of the community around them who have unfortunately become their debtors. In struggling for existence themselves, necessity compels them to press their debtors with an iron hand.

When a bank fails, what classes of society are most likely to suffer from the explosion? Who do you suppose, Mr. President, held the notes of the hundred and sixty-five banks that proved insolvent between 1811 and 1830? Not the shrewd man of business, not the keen speculator; because they snuff the danger from afar. It was the honest and industrious classes of society, who are without suspicion, and whose pursuits in life do not render them familiar with the secret history of banking.

We are now just experiencing another great evil which has resulted from the extravagant loans and issues, and consequent suspension of specie payments by the banks. The country is now deluged with small notes, vulgarly called shin plasters. They are of every form and every denomination betwen five cents and five dollars; and they are issued by every individual and every corporation who think proper. It is impossible for the poor man to say he will not take them; for there is scarcely any silver change in circulation any where. He must receive them for his labor or starve.

The paper on which these small notes are printed is often so bad, and they are so inartificially got up, that it is almost impossible to distinguish between the counterfeit and the genuine. To counterfeit them has become a regular business, and it has been carried to a great extent.

Our currency below five dollars now consists of this combined mass of genuine and counterfeit shin plasters; and many of the counterfeits are intrinsically of equal value with the genuine. Some are payable in one medium and some in another. Some on demand, and others have years to run before they reach maturity. The very moment the banks resume specie payments, this mass of illegal and worthless currency will be rendered entirely useless. It will fall dead in the hands of its holders, and these will be chiefly the very men who are least able to bear the loss. A scene of confusion and distress will then be presented which I need not describe. Such is one of the effects of extravagant banking.

There is a class of society for whom I have ever felt a deep interest, whose attention I should gladly awaken to the evils of an excessive issue of paper currency—I mean our domestic manufacturers. Do they not perceive that all the protection which our laws afford them is rendered almost entirely useless by the extravagant amount of bank notes now in circulation?

It has been stated, in general terms, by those who best understand the subject of political economy, that if you double the amount of the circulating medium of a country, you thereby double the nominal price of every article. "If, when the circulating medium is fifty millions, an article should cost one dollar, it would cost two, if, without any increase of the uses of a circulating medium, the quantity should be increased to a hundred millions." Although we cannot apply strict arithmetical rules to this subject, yet all will admit that the proposition is substantially correct. Let us then suppose that our currency has reached such a point of depreciation, when compared with that of our rivals in foreign countries, that an article which could be manufactured abroad for one dollar, would cost one dollar and fifty cents at home; and what is the consequence? A premium of fifty per cent. is thus, in effect, given to foreign manufactures over those of domestic origin. For example: A piece of broadcloth costs one hundred dollars to the French manufacturer; he brings it here for sale; and, on account of the depreciation in our currency, he receives for it one hundred and fifty dollars; what advantage does he thus obtain? Being the citizen of a foreign country, he will not accept our bank notes in payment. He will take nothing home except gold and silver, or a bill of exchange which is equivalent. He does not expend this money here, where he would be compelled to support his family, and to purchase his labor and materials, at the same rate of prices which the domestic manufacturer is compelled to pay. The depreciation in our currency below the standard of that of France or England is, therefore, equivalent to a proportionate direct protection to the foreign over the domestic manufacturer. The conclusion is inevitable. It cannot be denied. It is impossible that our manufacturers should long be able to sustain such an unequal competion. They, above all men, ought to exert their great influence for the purpose of confining the paper currency of our country within some reasonable limits. The fate of the great interest in which they have embarked depends upon it.

Our farmers in the grain growing States are placed in a similar situation. The amount of our currency must be diminished, or foreign wheat will continue to be imported for domestic consumption. The farmer in the north of Germany will be able to undersell us in our own ma kets.

The banks, by their refusal to pay specie, have now placed themselves in the power of the State Governments. They have forfeited their charters, and it now remains for the different Legislatures to decide upon what terms they shall be restored. Amidst the general misfortunes of the country, it is one source of consolation that the banks have placed themselves within the power of the people. Had they not done this by their own conduct, we know that a numerous and powerful party exists in this country who consider a charter of incorporation so sacred that no State Legislature, by any future law, could ever restrict their own banks from issuing notes under ten dollars, if their charter authorized them to issue notes of a less denomination. According to the doctrines of this party, all power over the paper circulation of the country, which is one of the highest attributes of sovereignty belonging to the States, has, by them, been irrevocably transferred to eight hundred banks. Thank Heaven! every difficulty on that subject is now removed; and it will depend upon the wisdom and firmness of these Legislatures, whether we shall have a sound paper currency in time to come, proportioned in amount to the wants of the people, and placing the banks themselves in a secure condition; or whether we shall again be overwhelmed with a deluge of paper money and all its attendant evils. If they will but secure a specie basis for our paper circulation, by prohibiting the issue of bank notes, at first under ten dollars, and afterwards under twenty; if they will render the stockholders of banks personally responsible, at least for the amount of notes which they may issue; if they will limit the dividends of the banks to a reasonable profit on the investment of the stockholders; if they will require the banks to keep a just proportion of specie in their vaults compared with their circulation and deposites; and, above all, if they will adjust the whole amount of bank notes to be issued to the wants of the people, upon principles which have been sanctioned by experience, so as to prevent ruinous fluctuations in the amount of our currency—then, indeed, the evils which we have suffered will be compensated by the benefits we are destined to enjoy. But I confess I dread the result. We are a strange people. The lessons of experience make but a feeble impression on our minds. We rise with so much buoyancy from our misfortunes, that when they have passed away they are instantly forgotten. Should the banks resume specie payments before or shortly after the next meeting of our State Legislatures, and the current begin to run smoothly again, I fear that no such changes will be made in the existing bank charters, and that we must await the event of another crisis, which would then be inevitable.

Until these or some such restrictions shall have been imposed by the States on their banks, they never can, they never will, become secure depositories for the revenues of the Government.

In the third place, the Union which is now dissolved between the banks and the Treasury ought not to be restored; because the public deposites would again become the fruitful source of over-issues and extravagant speculation. We have no power to regulate the State banks; but we can withhold from them our revenue, and thus prevent them from using our means for the purpose of deranging the business of society. If we cannot eradicate, we are not bound to aggravate the radical sin of their constitution. If we cannot prevent, we need not become accomplices in their misconduct. But I have already incidentally said so much in the course of my remarks on this branch of the subject, that I need not trouble the Senate with any further observations.

In the fourth place the divorce now subsisting between the Treasury and the banks ought to be rendered perpetual, because of their supposed or actual subserviency to the Government, and the dangerous influence which might be exerted over them by the Executive.

I am not one of those who believe that, hitherto, any attempt has been made to exert such an influence; yet every effort has been used by a portion of the press to produce such an impression. These institutions have been denounced as "the pet banks" of the Government, and they have been charged with granting peculiar favors to the minions of Executive power. True or false, this charge has produced some effect on the public mind. Besides, all the transactions of the Secretary of the Treasury with these banks, rendered necessary by existing laws, have been denounced as tampering with the currency. And thus the administration is always blamed for every disaster which occurs in the money market. A connexion with these banks is thus made to assume a political character, and is mixed up with all the party strife of the day. The public mind is inflamed upon the subject, and the public suspicion is excited. This is an evil which can only be avoided by a permanent divorce between bank and State.

But again: If a Secretary of the Treasury were disposed to exert an improper influence over these banks, with what prodigious effect might they not be used to accomplish his purposes. At the time of the suspension of specie payments there were eighty-six deposite banks planted throughout our country. The letters which were read the other day by the Senator from Mississippi [Mr. WALKER] prove how low some of the State banks were willing to cringe in order to obtain the deposites. Their language is unworthy of the proud bearing which ought to characterize

American freemen. It proves at least, that some of them are not very scrupulous, when "thrift will follow fawning." Such was the anxiety to obtain a portion of this boon, that two of the most respectable banks of the city of Philadelphia procured resolutions to be passed in the House of Representatives of Pennsylvania, recommending them to the Secretary of the Treasury as depositories of the public money; and these resolutions were sent to my colleague and myself, with a request that we might exert our influence to accomplish this purpose. Eighty-six affiliated banks, scattered over every State, and intent upon a common object, could exert an immense political power. An ambitious and able Secretary of the Treasury might use them with prodigious effect in order to make himself President. And this could be done with the greater effect because it would escape detection. The agent of the banks at Washington city might be used as the instrument, and all the necessary measures might be adopted in the secret parlors of the bank directors throughout the country. A concerted movement might thus be made in every portion of the Union at the same moment, which would almost be irresistible.

I do not know but that such a league of associated banks might be rendered more dangerous than even a bank of the United Stases. This bank would have its rights and its duties defined by law. It could claim the Government deposites, and that its notes should be received in payment of the Government dues, under the provisions of its charter. But the selection of these depositories, the amount of the public money which they shall receive, how long they shall retain it in what manner they shall conduct their banks, all, all is left to Executive discretion. What a boundless field for Executive potronage! And yet the administration which anxiously desires to surrender this fruitful source of political power, has been charged with designs of extending Executive patronage? And for what reason? Simply because it proposes that the existing officers of the Government, without adding one to their number, should be substituted as the depositories of the public money instead of these banks. Even if it should become necessary to appoint some ten or twenty additional officers at the most important points to perform this duty, I would not compare this increase of Executive patronage with that which the Executive Government is now voluntarily willing to abandon. It would be but as a drop compared with the ocean. Talk not, then, to me of the increase of patronage which the bill upon your table would confer on the Executive. They form a very unjust estimate of the intelligence of our citizens who would attempt to make them believe that a few Executive officers, known to be such to all the surrounding community, can exercise an influence over the people at all to be compared with that of a league of eighty-six banking institutions.

This now brings me to the bill upon your table. This bill is the only remaining plan to which we can resort. It recommends itself to public approbation by the simplicity of its provisions. The existing officers of Government already collect and disburse our revenues. It merely superadds to these duties, that of safely keeping and transferring the public money, according to the exigencies of the Government, during the time which must necessarily intervene between its receipt and disbursement. This is the whole bill. If it be justly liable to any criticism, it is that the security of the public money might require the appointment of a very few additional officers in our large commercial cities. It has, perhaps, been framed more exclusively with a view to economy, than is consistent with the public interest. The object is a great and important one, and no moderate additional expense ought to be spared which may be necessary for its accomplishment. Such is the bill.

The Senator from South Carolina [Mr. CALHOUN] has proposed an amendment to this bill, prescribing the funds which shall be received in payment of the public dues. And here permit me to observe, that, in discussing that amendment, I shall not inquire whether the Senator has come over to us, or we have gone over to the Senator. This is a question of but small moment, so that we are now together. The first extended effort which I ever made in Congress was in defence of the conduct of that Senator, when I thought he had been unjustly assailed as Secretary of War. We stood together shoulder to shoulder in 1827, and throughout the trying conflict which resulted in the election of General Jackson. I rejoice that he is now found sustaining the leading recommendation of the message at this important crisis, and I trust that on future occasions we may receive his able and efficient support.

With all these feelings of distinguished respect for the Senator, I am still sorry that he has offered his amendment. I should have been glad if the vote of the Senate could have been taken upon the simple proposition to divorce bank and State. On this single question we should have, I think, presented a more united front than when it shall be connected with the Senator's amendment. It would have been better first to have established the divorce, and afterwards to have determined, by a separate bill the nature of the funds which our depositaries shall receive.

For my own part, as to the funds receivable, I feel strongly inclined to support the recommendation of the Secretary of the Treasury. In page 23 of his report, when speaking on this subject, he says:

"This could be effected by directing what alone appears safe, and what is understood to be the practice in both England and France. It is, that the bills of no local banks be taken, which shall not, from the near location of the bank, be equivalent to specie; be able to be converted into specie at very short periods by the receivers and collectors, so as to pay the public creditors legally, if demanding specie; and be thus accounted for at par, and without expense to the Government. Another advantage from this course would be its salutary check on over-issues by the neighboring banks."

If the depositories were authorized to receive and disburse the notes of such banks, calling upon them at short intervals to settle the balances in specie, it might, I think, have promoted the convenience of the public, as well as afforded a salutary check upon the issues of the surrounding banking institutions. I understand such was the course pursued by the late Bank of the United States. I was willing to proceed cautiously, and not, at the first, go the length of demanding exclusive specie payments.

But the Senator from South Carolina has thought differently, and I shall be compelled to vote for or against his amendment. Giving every consideration its proper weight, I have, since he has agreed to modify it, determined to yield it my support. As it now stands, the notes of specie-paying banks will be receivable in the payment of all the public dues up till the last day of the year 1838; during the year 1839, one-fourth will be required in specie; during the year 1840, one-half; during the year 1841, three-fourths; and not until the year 1842 shall we reach the point of exclusive specie payments. Its operation will be slow and gradual; and if, in the mean time, we should discover, at any stage of its progress, that it is too severe, we can easily change the law.

What objections have been urged against the entire system presented by the bill and the amendment?

The first is, that it will increase Executive patronage. To this I flatter myself I have already given a conclusive answer.

The second is, that it will operate with such severity upon the banks, and through them upon the country, as to produce wide-spread disaster and ruin. Gentlemen have taxed their imaginations to present the scene of suffering and desolation which it will produce.

Now, sir, I cannot realize any of these horrors. The cause is too impotent to produce any such effects. On the contrary, I fear that it will go but a small way indeed towards checking the extravagant issues of the banks, and that its influence will scarcely be felt. With the public revenue reduced to the standard of the public expenses, which it now is, and probably will be for many years to come, the specie will flow out of the Treasury almost as rapidly as it flows in. It will be kept in constant circulation. The accumulation must be comparatively trifling. According to the estimate of the President, ten millions of dollars in gold and silver will be sufficient for the purpose of paying and disbursing our annual revenue. I think his estimate extravagant, because one dollar will make many payments in the course of the same year. The operation of the system will be very gradual, and the necessary quantity of specie will gradually be brought into circulation without producing any injurious results to the banks. It may, and I trust will, in some degree curtail their extravagant issues, and thus benefit the community, and render their own condition more sound. After the year 1838, there probably may, and I trust will, be a somewhat greater demand upon them for specie than there has been; but this specie will go into the general circulation of the country, and thus gold and silver will be made, to a greater extent, the basis of our paper circulation. Will any Senator object to such a change?

Why, sir, when last in New York, I was informed that the money transactions in Wall street often amounted to $5,000,000 per day. The trade and business of our country is vast, almost beyond conception. The receipts and disbursements of the Government bear but a very trifling proportion to the receipts and payments of individuals. How, then, can it be apprehended, for a moment, that ten millions of dollars in specie, flowing into the depositories in little rills, from every portion of the Union, and constantly flowing back again to the places from whence it came, can produce any injurious effects upon the business either of well conducted banks, or of the country? Away with such idle fears. Upon trial they will be found to be the mere creations of fancy.

The banks might be injuriously affected, were it not for the amendment which was proposed by the Senator from Missouri, [Mr. BENTON,] and which I trust may be adopted. This will oblige the holders of Treasury drafts on depositories to present them for payment within a short period. Without such a provision, these drafts would inevitably go into the general circulation of the country. Representing the amount of silver and gold which appears upon their face, and having the eventual responsibility of the Government to sustain them, if, in case of accident, they should not be paid by the depositary, they would be more valuable than specie itself, for every purpose of remission. They would, therefore, remain in circulation, whilst gold and silver would accumulate in the Treasury. Specie would thus continue to be drawn from the banks to pay the dues of the Government, and a great part of it would not return into circulation. The interest of the banks requires that this amendment should be adopted; although these Treasury drafts would constitute, to a limited extent, the soundest and best medium of exchange which the world ever saw.

A third objection to the proposed system is, that it will furnish one kind of currency for the people, and another for the Government; or, in the language of the Senator from Massachusetts, it will set the officers down to the first table, and the people to the second. Directly the reverse will be the effect. It is our object, by these measures, to elevate the people to the first table, from which they have been excluded by the bankers, and brokers, and speculators of the country. We wish to spread before the American people a rich repast, and place them all upon the same level. It is our purpose, so far as the influence of this Government can extend, to furnish them all with a currency of gold and silver, or of paper at all times convertible into gold and silver. The only means we possess of restraining these banks from making extravagant over-issues, and thus always preserving them in a condition to redeem their notes in gold and silver, is to withhold from them our revenue, and require the payment of our debts in specie. It would be a great blessing to the country if this could be accomplished. Has any Senator proposed that we shall receive depreciated bank paper in payment of the public dues? Not one. If we were to adopt such a measure, it is true we might all sit down to the same table, but it would be a table covered with irredeemable and depreciated bank paper, without hope for years to come of enjoying any better fare. The Government must stand firm at this crisis, in order to secure a sound currency for all the people.

A fourth objection urged against this system has been its want of security, and that the public money will not be safe in the hands of our depositaries. This objection comes with a bad grace from those who desire again to entrust it to the keeping of deposite banks. I might say, if I thought proper, that it will be at least as safe in the hands of our officers as it has been in the deposite banks. They at least will not lock it up and keep it altogether, unless you will receive their own depreciated notes in payment. The one experiment has failed, and we have not yet tried the other.

But, sir, the proposed mode of collecting, and keeping, and disbursing the public revenue, has existed throughout the continent of Europe from the days of the Roman empire. It is, therefore, not an untried experiment. Is there any reason why, under proper guards and restrictions, the officers of Government should not safely keep what they receive until it is necessary for them to pay it out again? Have we not as honest and capable men in this country as in any other? No plan which you can adopt will altogether secure you against peculation whilst human nature remains as it is; but this plan, securing as it does the direct supervision of the Secretary of the Treasury, and the immediate responsibility to the Government of all the agents employed, furnishes as great security as any which can be devised. The truth is, that we have been so accustomed to lean exclusively upon banks in this country, that we fear to stand erect and walk alone, and rely upon our own native strength.

It has been suggested in a distinguished Southern paper (the Richmond Enquirer) whose opinions are entitled to great respect, that the friends of the administration might all unite in making a few banks, at the principal points, the special depositories of our money. My objection to adopt this proposition arises from a conviction that it would bestow exclusive privileges and advantages upon these selected banks, to the injury of all other similar institutions, and that it would, therefore, greatly extend Executive patronage. What would be its operation? The agent of the Government collects all its dues in gold and silver. These are placed in a strong box in the vaults of one of these banks. A draft is presented at its counter, whether drawn by the Secretary of the Treasury or the depositor, payable in specie. In most instances the holder of the draft would prefer receiving the notes of the bank especially if they were in extensive credit. The cashier would pay him in bank paper, whilst an equal amount in specie would be taken from the strong box of the Treasury and transferred to the vaults of the bank. This would be the inevitable process. The officers of Government would thus be made collectors of specie for these favored banks, to the injury of all the surrounding institutions; and an extensive circulation would be secured to their notes by a knowledge of this very fact. No, sir, your true policy is to detach the Government from all banks. Let them all stand upon the same

footing and receive the same measure of justice from Congress.

If any thing could reconcile me to vote for the amendment of the Senator from Virginia, [Mr. Rives,] it would be the hope—if I could cherish any such—that, through the agency of the deposite banks, we might procure a more extended specie basis for our paper currency. But, even if we could prevail upon them, which I very much doubt, considering the small amount of our present deposites, to forego the advantage of issuing five, ten, or twenty dollar notes, and of receiving the notes of other banks who might refuse to enter into the same arrangement, what would be the consequence? Why, sir, the vacuum in the circulation thus created would be immediately filled by the notes of other banks, of the denomination of five and ten dollars. This you have no power to prevent. There would be precisely the same amount of circulation in these smaller notes. The only difference which could exist, would be, that they might be furnished by other banks of a less sound character. The Senator calculates much upon the moral influence which his amendment might exert. What, sir! a moral influence over a banking corporation in opposition to its interest! I venture to say, that no such agency as this can prove effectual. It is power alone which can produce this result. And where does this power exist? Nowhere, but in the State Legislatures. It is doubtful, however, extremely doubtful, whether they can ever be induced to exert it. It is most difficult to unite twenty-six independent sovereignties, having different and ever-varying feelings and interests, in any such uniform system of policy; and especially against the opposition of the local banks. During the last session, I had prepared an amendment to the constitution, (and had it in my desk for a long time,) conferring upon Congress the power of prohibiting the circulation of bank notes under twenty dollars; but declined offering it, because I then deemed it a hopeless attempt. Circumstances have now very much changed; and since the Senator from Kentucky [Mr. Crittenden] has so strongly advocated such an amendment, I feel some confidence that it would meet with a favorable reception from the States. Should I conclude to offer it at the next session, I shall count largely on his able and efficient support; or, if he should prefer to take the lead himself, I shall render him all the assistance in my power.

The Senators from Kentucky and Massachusetts [Messrs. Clay and Webster] have both loudly complained that we have proposed every thing for the relief of the Treasury, but nothing for that of the people of the country. Is this complaint well founded? Have we not extended to the banks a credit of four, six, and nine months on the deposites which they received from us as cash, and were bound to pay us on demand? Have we not extended for nine months the credit on merchants' bonds? These indulgencies to the banks and to the merchants are, in effect, an indulgence to all their debtors. We do not press them; therefore, they are under no necessity of pressing the community. In order to enable ourselves to extend this relief we have agreed to make a loan of $10,000,000, in the form of Treasury notes, for one year. These notes, in relieving the community, will be equal to the creation of so much gold and silver. Their credit will be such that they may be sent abroad as remittances, and thus pay our debt, equalize our foreign exchanges, and prevent the exportation of specie. I ask what more could we have done to relieve the country? But we have not proposed a bank of the United States; and, in the opinion of some gentlemen, all which we can do is nothing, if this be left undone. It is the sovereign panacea for all the evils which flesh is heir to.

In addition to the relief measures which I have just enumerated, I ought not to forget the vote of more than two to one upon the resolution reported by the Committee on Finance against chartering a bank of the United States. I consider that vote by far the most important relief measure of the session. If the merchants of our country could but be prevailed upon to abandon every hope of the establishment of such an institution, and throw themselves upon their own resources, instead of expecting aid from the Government, how soon would the present gloomy aspect of affairs begin to brighten. Why should American merchants, whose abilities and enterprise render them more able to help themselves than those of any other country, be constantly invoking the aid of the Government to enable them to conduct their foreign and domestic exchanges? Let all hope of obtaining a national bank vanish from their minds, and we shall soon see the exchanges conducted upon the same principles, and with the same success, which characterize similar operations in Europe. Let our merchants first put their own shoulders to the wheel, and then they need never pray to Hercules for relief.

There is another cause which renders the charter of a new bank almost hopeless. It would be in bad taste for me to bring into the discussion upon this theatre, the Bank of the United States of Pennsylvania. Whether it shall continue to exist, is a domestic question which we shall settle at home. My opinions in regard to this institution have been openly avowed upon all suitable occasions. But if the people of Pennsylvania should tolerate its continued existence, you already have a bank of the United States. That institution is too vast to be sustained by a single State. It must be a bank of the United States, or it can be nothing. Mr. Biddle truly said, in presenting its charter to the stockholders, that it possessed greater advantages under it, than it had ever enjoyed before. It has the unlimited power of buying and holding banking stock. Under this provision, it has, I am informed, already purchased two banks—the one in Georgia, and the other in Louisiana; and it will continue to acquire other State institutions, which will act as its branches. Besides, its agencies are already spread over the Union. It is highly improbable that those interested in this institution will ever be the advocates of another national bank. A new bank, with a capital of $50,000,000, would not, probably, under any circumstances, be established in the same city beside a bank with a capital of $35,000,000. Attempt to create such a bank in New York, and you will probably find almost the entire population of Pennsylvania, belonging to all political parties, against it. I throw out these suggestions merely to convince the mercantile community how very improbable it is that a new bank of the United States will be established. If I could convince them of this truth, then the business of the country would soon conform to that state of things, and we should not be kept in eternal strife by the agitation of this question.

I should not further exhaust the patience of the Senate, had not the accuracy of some of the statements of the President, contained in his message, been questioned in the course of this debate.

The President, whilst assigning the causes of our existing distress, for the purpose of proving that they were not peculiar to this country, but were general in their nature, asserts that similar causes, operating at the same time, had produced similar effects in England and other commercial countries. He concludes his remarks upon this subject with the observations which I shall read.

[Here Mr. B. read the following extract from the message:]

"In both countries (the United States and Great Britain) we have witnessed the same redundancy of paper money, and other facilities of credit; the same spirit of speculation; the same partial successes; the same difficulties and reverses; and, at length, nearly the same overwhelming catastrophe. The most material difference between the results in the two countries has only been that, with us, there

has also occurred an extensive derangement in the fiscal affairs of the Federal and State Governments, occasioned by the suspension of specie payments by the banks.

"The history of these causes and effects in Great Britain and the United States is substantially the history of the revulsion in all other commercial countries."

The correctness of this statement, in point of fact, has been attacked in no measured terms; and it is my present purpose to prove that it has been assailed without any just cause.

Even if the President had been in error in this particular, what would it prove? Certainly not that he intended to mislead others; because such an error, so far from sustaining, would be directly opposed to his own position. If he could have said, with truth, that our peculiar system of bank credits was so very bad, that we alone, of all the nations of the earth, were now suffering under dreadful reverses, whilst other commercial nations had escaped unscathed, this would have given great force to his argument. It would have added another powerful reason to those which he had already urged in favor of divorcing the banks from the Treasury, and not contributing, hereafter, by the public deposites, to swell the tide of bank credits and paper currency, which, in our country alone, had caused so much ruin and distress. The only purpose, therefore, of those who had assailed his statements must have been to convict him, not of intentional error, but of ignorance.

But is he justly liable to this imputation? Senators have attempted to prove it, by showing that, during the last few years, the circulation of bank notes throughout England has not materially increased; and, upon this isolated fact, they conclude that there has been no over-banking nor overtrading in that country. Now, sir, the premises may be true; but I shall show that they do not in theory warrant the conclusion, and that it is directly at war with the state of the fact.

Although excessive bank issues undoubtedly are a powerful incentive to extravagant speculations and overtrading, and such they have always proved, to a disastrous extent, in this country, yet these evils may, and sometimes do, exist in countries where the circulation scarcely varies in amount, and is almost purely metallic. If, then, gentlemen could show that the paper circulation of England had remained uniform for the last three years, this would not establish the fact that extravagant credits and speculations had not existed in that country. A friend has just reminded me of a case precisely in point. I refer to the French speculations in colonial produce, I think of the year 1809. So intensely, at that time, did the spirit of speculation act upon the minds of the people, that the Frenchman forget his love of pleasure, and his fondness for spectacles; and the very theatres, whilst the play was proceeding, became commercial marts for the purchase and sale of these commodities. They rose to a most extravagant price, and the public mind became excited to the highest pitch. Napoleon, in order to arrest this spirit, had it announced all over the country, on the same day, that George the Third was dead. The bubble then burst; and the ruin of thousands was the consequence. These speculations were founded upon the prospect that the war with England would continue, and therefore colonial produce could not be imported into France; and they were suddenly checked, because it was believed that the death of the English monarch would be the harbinger of peace. It is scarce necessary to observe that the circulation of France is almost purely metallic.

But facts are stubborn things, and, in the instance before us, they will entirely destroy the conclusions of gentlemen. No country in the world has ever witnessed more extravagant bank credits and speculation than England has done within the last eighteen months; and this, notwithstanding the amount of bank notes in circulation, has not greatly increased.

In 1826, Parliament first authorized the establishment of joint-stock banks, with any number of partners, at a distance of not less than sixty-five miles from London. Let us examine the history of their progress, and we shall find it exactly similar to our own. During the first seven years thirty-four of these banks had been established. In the succeeding two years and eight months, ending on the 12th March, 1836, twenty-eight were added to the number. About this time speculation began to rage; and, in April, May, and June, of that year, they increased at the rate of five per month. Two of the fifteen banks established within these three months had each about seven hundred and fifty partners—one of them had eleven, and another thirty-four branches in different parts of the kingdom. The Edinburgh Review, for July, 1836, which is my authority for these facts, observes: "We have reason to think that the rate of this extraordinary increase has been since augmented rather than diminished. Latterly, indeed, the mania for joint-stock banks seems to have become almost as prevalent as the mania for railways. It is, in fact, hardly possible to take up a newspaper without meeting with sundry annoucements of such establishments, all, of course, dressed up in the most captivating manner." The conjectures of the author proved to be correct. I have a statement before me of the number of joint-stock banks in England and Wales on the twenty-sixth of November last, and they amounted to one hundred and two, besides an immense number of branches. Thus, it appears that, their increase between the 1st of July and the 16th November, 1836, a period of less than five months, amounted to twenty-five. I have no later return in my possession.

In what manner do these banks make the enormous profits which we know they realize? Certainly not by the issue of bank notes; but by bank credits, or paper money in another form. Their notes in circulation, in March, 1836, when their number was sixty-two, amounted to £3,094,025 sterling. In December, 1836, when their number had augmented to one hundred and four, their issues had increased to only £4,258,000, or about a million and a quarter.

They discount notes and bills, and, instead of paying out the proceeds in their own notes, they place the amount to the credit of their customers on the books of the bank. These credits then become deposites, and constitute the capital on which individuals speculate and trade. They are transferred from hand to hand by means of bank checks, which are only another form of paper money. In large transactions, bank notes are rarely used. A owes B ten thousand dollars, and has a credit in a joint-stock bank for that amount. He gives him a check in payment of the debt. The account of A is charged with this amount, and the account of B is credited. Thus ends the transaction, without the use of a single bank note.

If Senators will take up the Treasury report, in relation to any of the large banks in New York, they will discover that a very small portion of their profits proceeds from their issues. The Bank of America, for example, with a capital of $2,000,000, has but $425,000 of notes in circulation, whilst its loans and discounts amount to $3,755,000. What has become of the remaining $3,300,000, the difference between its circulation and its loans and discounts? This sum consists of bank credits—bank deposites, circulating from hand to hand by means of bank checks, which as well deserve the name of paper money as bank notes.

The largest importing merchants in New York rarely keep any money in their counting-houses, except for incidental expenses. Their heavy business is all transacted by means of bank credits and bank checks.

The amount of bank notes in circulation, however much expanded, must necessarily bear some proportion to the every-day transactions—the common dealings of society—and cannot be extended beyond a certain point. The amount of bank credits is not limited by any such rule. All

the great speculations, all the large operations, are made through their agency.

On the 1st of January, 1836, the bank notes in circulation throughout our country, although amounting to the enormous sum of $140,000,000, did not equal the one-third of the bank loans and discounts.

Never, then, was there a more fallacious idea than this, that because the amount of bank notes circulating in England had not greatly increased, that, therefore, extravagant credits and extravagant speculation did not exist. We may form some idea of the enormous expansion of bank credits in that country from a passage in the Review to which I have already referred.

[Mr. B. here read the following extract:]

"This rapid increase in the number and in the issue of joint-stock banks, has been in part a consequence, but in a much greater degree a cause, of the late rise of prices, and of the existing excitements.

"But we should fall into the greatest possible error if we supposed that the influence of the banks in question was to be measured by the amount of their notes in circulation payable on demand. These, in fact, constitute but a comparatively small portion of their obligations. Most of them have been in the habit of trading, not on their own capital, or on the deposites made with them, but on credit obtained in the metropolis and elsewhere. Instead of retaining the bills and other securities they have discounted in their coffers till they are paid, many of the banks have been in the habit of immediately forwarding them to London to be rediscounted. To such an extent has this system been carried, that we are well assured that certain banks, with less than £500,000 of paid up capital, have discounted bills and made advances to the extent of from five to six millions; and the engagements of others have been even more incommensurate with their capital!"

Comment is unnecessary. The rapid increase in the number of banks, and in the amount of bank credits, has produced the same effects in England that they have done in the United States. I will venture to say that no portion of the history of that country presents a parallel to their late extravagant speculations of every description. The epidemic seems to have spent its force chiefly in the creation of joint-stock companies, for almost every purpose under the sun. There are companies for the construction of railroads; for the manufacture of cottons; for tanning; for the manufacture of glass, pins, needles, soap, turpentine, &c.; for dealing in coals; for raising sugar from the beet root; for making railways in Hindostan; for the prosecution of the whale fishery; for trading and founding settlements on the southeast coast of Africa; and, finally, for burying the dead.

During the first three months of the last year, one hundred and four joint-stock companies were formed in Manchester and Liverpool alone, with an aggregate capital of £37,987,500 sterling! To complete this picture of folly and extravagance, Mr. Poulett Thompson stated, in his speech in the House of Commons, in the discussion relative to the budget, "that he had made a register be kept of the various joint stock companies, then on the tapis in different parts of the kingdom, and he found their numbers amounted to between three or four hundred; and that a capital of nearly two hundred millions sterling, or about twenty times the capital of the Bank of England, would be required, according to the statements of the parties, to carry them into effect!"

The proposed capital of these companies formed in a few months, amounts to the enormous sum of one thousand millions of dollars, or to nearly four times the whole banking capital of the United States on the first of January, 1836! And yet, when it becomes necessary to convict the President of ignorance and mistake, we are told that there has been no over-trading, no excessive speculations, no extravagant bank credits in England; and that, too, simply because the amount of bank notes in circulation has not greatly increased. Most astonishing effort! The statement contained in the message is true, both in letter and in spirit."

If I were to contend, which I do not, that all our calamities in this country have proceeded from the extravagant expansion of the paper credits of England, succeeded by a sudden contraction, it would be much more plausible than the argument of gentlemen. What but this bloated credit tempted our merchants to inundate the country with foreign goods? The ancient customs of trade were abandoned, and they were urged in every manner to accept credits, and to draw bills of exchange, not founded upon any actual exports, but on the hope that exports might be made at some future and indefinite period.

The two countries have proceeded together with equal strides on the road to ruin, stimulating each other in their downward career, and they have both suffered the same penalties, and endured the same misfortunes. As the President states, the chief difference in their condition is, that our banks have suspended specie payments, whilst those of England have been able to weather the storm.

But gentlemen allege that the President has committed another grave error, in stating that the foreign debt contracted by our citizens was estimated, in March last, at more than thirty millions of dollars. This estimate, they say, is below the truth some eighty or ninety millions. If it were, this would only be, as in the case of the other alleged mistake, so much in favor of the President's argument—not against it. But how do they prove this mistake? By adding to our actual foreign debt, now due and payable by the merchants, all foreign investments in our stocks, and all the permanent loans which have been made in England to the several States and to corporations. The bare statement of this fact is sufficient. It is evident the President was not estimating the amount of permanent investments made by foreigners in this country, but the actual amount of our commercial debt, due in March last, which it was necessary to extinguish before our trade could revive. This debt may have been thirty-five or forty millions of dollars; but, from the information communicated by the Senator from New York, [Mr. TALLMADGE,] a few days ago, that, in the opinion of the merchants of New York, it was now reduced to twelve millions of dollars, I should very much doubt whether it at all exceeded thirty millions in March last.

How cheering the intelligence that our foreign debt has been reduced to twelve millions of dollars! The resources of our country are so abundant, that this debt must very soon be extinguished. Our next cotton crop will create a large balance in our favor. The foreign exchanges will soon no longer be against us; and then the foreign demand for specie will cease. All sound banks may then with safety resume specie payments. They will have nothing to dread, except the want of confidence at home. This I fear has been greatly increased, at least throughout the interior of Pennsylvania, by the refusal of the banks in Philadelphia to meet those of New York, even for the purpose of consulting at what time it was probable specie payments might with safety be resumed. I have received numerous letters on the subject, which all speak the same language. This refusal I feel confident, did not arise from any apprehension that these banks were less able to resume specie payments than those of their sister city.

Mr. Van Buren is not only correct in his statements of fact, but, by his message, he has forever put to flight the charge of non-committalism—of want of decision and energy. He has assumed an attitude of moral grandeur before the American people, and has shown himself worthy to succeed General Jackson. He has elevated himself much in my own esteem. He has proved equal to the trying occasion. Even his political enemies who cannot approve

the doctrines of the message, admire its decided tone, and the ability with which it sustains what has been called the new experiment. And why should the sound of new experiments in Government, grate so harshly upon the ears of the Senator from Massachusetts? Was not our Government itself, at its origin, a new and glorious experiment? Is it not now upon its trial? If it should continue to work as it has heretofore done, it will at least secure liberty to the human race, and rescue the rights of man, in every clime, from the grasp of tyrants. Still, it is, as yet, but an experiment. For its future success, it must depend upon the patriotism and the wisdom of the American people, and the Government of their choice. I sincerely believe that the establishment of the agencies which the bill proposes, will exert a most happy influence upon the success of our grand experiment, and that it will contribute, in no small degree, to the prosperous working of our institutions generally. The message will constitute the touchstone of political parties in this country for years to come; and I shall always be found ready to do battle in support of its doctrines, because their direct tendency is to keep the Federal Government within its proper limits, and to maintain the reversed rights of the States. To take care of our own money, through the agency of our own officers, without the employment of any banks, whether State or national, will, in my opinion, greatly contribute to these happy results; and in sustaining this policy, I feel confident I am advocating the true interest and the dearest rights of the people.

When Mr. BUCHANAN had concluded—

Mr. PRESTON rose, and addressed the Senate as follows:

Mr. President: The administration has distinctly avowed that it is not their purpose to propose any measure for the relief of the country or the people. Their sole object is to devise means for the relief of the Government; and, upon the declared policy of a separation between the Government and the people, they propose the receiving of the public dues in specie; and that they be collected, and kept, and disbursed, by Executive agents throughout the country.

This is the project of the administration. Another is proposed for our consideration by the gentleman from Virginia, [Mr. RIVES,] who, being a distinguished member of the party in power, may, more reasonably than any member of the opposition could, calculate on a possible success. His proposition is to revive the joint resolution of 1816, which has regulated the currency for the last twenty years, and to re-enact the currency bill, which was passed with such unexampled unanimity at the last session, and was, so unfortunately for the country, suppressed by the late President. The main object and purpose of the measures proposed by the Senator from Virginia I understand to be, to restore, as far as the agency of this Government can effect it, a sound currency to the country; and to use that currency, thus re-established, in common with the States and the people.

Between these two measures we must decide. It is manifest that we must take one or the other, or go home without having done any thing; for, however gentlemen may object to either of these propositions, it is obvious that no third project can be brought forward with any possibility of success. The opposition constitutes a small minority in the Senate, and could suggest no measure with the slightest prospect of success. It would be idle and absurd to make propositions doomed to inevitable rejection; but, by the division amongst the administration Senators, we have some small privilege of selecting what we may consider the least objectionable policy. The opposition, therefore, has distinctly assumed the ground that it will propose no measure; and especially have those gentlemen, whose known policy and long-established predilections are in favor of a United States bank, declared that it is not their purpose to bring forward a proposition for the creation of such an institution. The policy of such a measure would be very questionable; its suggestion would be manifestly vain and useless. It is most properly not before us. It is not one of the measures from which we are to select. All that has been said about it, therefore, on either side, is entirely gratuitous and irrelevant. I am wearied and disgusted with the eternal iteration of unmeaning clamor about the United States Bank. Whatever is the subject of our deliberations, they run into the bank; whatever we are to be driven upon, the bank is the lash that urges us. The bank is the raw head and bloody bones with which the administration and its friends scare down the rising complaints of the people; and he who here might lack other means of entertaining the Senate can strut his little hour denouncing Biddle and the bank. Honor, and glory, and power, were given to the late administration for having slain the monster; and yet honorable Senators roar him around this hall to split the ears of the groundlings. Whenever a measure is to be defeated, it is the bank in disguise; whenever a measure is to be carried, it is that of the bank. Three years since, he who did not praise the State banks was a bank man; now, he who does not denounce them is a bank man. The bank drove us into the pet banks; it now drives us out of them, and into the sub-Treasury. It is fact and argument, pathos and satire, logic and declamation, ready made to the hands of honorable gentlemen. It is the burden of every man's speech, the alternative of every man's proposition. It is the secret purpose of every opponent; it is the lurking cause of every difference of opinion. He who is cool upon every other subject is warm upon this; and many a burst of eloquence would have been lost to the world but for the inspiring terrors of the bank. At present it is only in the heated fancy of gentlemen, or by the plastic power of their dialectic skill, that the bank is before us; and the administration party alone is capable, by its misrule, and reckless plunging from one mischievous experiment on the currency to another, of bringing it up in a more substantial form. When you have teased and worried the country until its patience is exhausted; when you have destroyed all confidence; when you have broken down commerce; when you have made domestic exchanges impossible, and have irritated the whole body politic into fever and frenzy, then the people will demand the bank at your hands. When your shallow expedients and capricious experiments have reduced the country to that state of confusion and suffering which existed twenty years ago, the people will seek refuge from you in any institution that will give them quiet and security for their property and industry; and thus those who clamor with a ceaseless vociferation against the bank are, at the same moment, dragging the country towards it. And not the less so, Mr. President, that now, for the first time, their denunciations of the United States Bank are generalized into denunciations of all banks, and of the whole banking system. It is now said that the whole system is wrong and vicious, and that there is, and always has been, adverse feeling in the community against it. It is doubtless true, that in periods of commercial disaster, like that under which we now suffer, in the uneasiness of men's minds, complaints are apt to be made of the banking system, and of the whole system of credit, to such an extent, indeed, that some have said that all who trade on borrowed capital should break; but that the settled opinion of any respectable portion of this community is opposed to the banking system, or to commerce, from which it springs, and which it reproduces, I should very much regret to believe. My own opinion has always been, that the banking system was the child of commerce, and the handmaid of liberty. It is one of the mainsprings of the great civilization of the last 150 years. It belongs to free States, and free States have grown freer under its influences. Its birth-place was

free, and commercial Holland, and England, and America, have fostered it. Run your eye, sir, over the map of the world, and you will find that in proportion as its nations are free, civilized, and commercial, this institution has been cherished and developed. All the peaceful triumphs of human intellect which day by day startle us into wonder and admiration, all the glorious results of modern society, all the magnificent achievements of human industry, whose aggregate has made the last century more replete with human happiness, and with the promise of it for hereafter, than the whole tract of history before—all this has been accompanied, promoted, and vivified by that organized system of credit which is itself, for efficiency, complexity, and controllability, the most wonderful engine that the tasked, excited, and victorious ingenuity of modern times has produced. It has made England a miracle, and has, in a generation, built us up into a great nation. Is banking England less happy than hard-money Spain, or we less moral than hard-money Mexico? Unquestionably the banking system, like all other beneficent institutions, may be, and has been, occasionally perverted and abused. Constitutional government itself is subject to morbid action or vicious control. We are at this moment assembled here to deplore and remedy the effects of misrule and usurpation. Have our republican institutions failed because they are in this crisis? Has the constitution run out because it has been abused? Shall we go back to hard money and despotism, abolish banks and the constitution, because we are smarting under temporary evils, produced by the maladministration of both? Denounce the breeze which wafts your commerce through the world, because it may be lashed into a tempest? Deprecate the showers which fructify your fields, because they may descend in torrents? War against the blessed light of heaven itself, because its scorching rays may wither a harvest? Shall we set about to supersede these kindly ministers of Nature's bounty, by arrogant devices of our own, or endeavor to bring them into disrepute by our ungrateful forgetfulness of their good, and exaggeration of their evil?

But, Mr. President, where is it proposed to terminate the war now declared against banks and banking? Is the whole system to be at once torn down and destroyed—scattering to the winds all the property, which, in such a vast variety of modes, is implicated in the banks? No one has proposed this instantaneous destruction of the country; and yet, sir, to my mind, it is questionable whether a short and final agony, though it be of death, is not better for the country, than a protracted war of the Government upon its money, its currency, its property, and its credit. Your edict is, that they shall all perish, and your boon is that they shall perish slowly, or, still worse, that they may linger on forever, under the ban of the Government, which, separating itself from the general destiny, will look coldly and safely upon the crippled and decrepit condition of the country. What, sir, is the arrogant and cruel language which this Government holds to the country at this moment? It has made an experiment upon the banks and the people, and has ruined both; and now we propose to leave the banks and the people to take care of themselves, and we will take care of ourselves!! Boldly and calmly this revolting proposition is announced by the President, repeated here, and this moment avowed by the gentleman from Pennsylvania, [Mr. BUCHANAN,] whose whole declamation has been a tirade against those very institutions whom he and his friends seduced and debauched. The remedy he proposes is, to cast them back, polluted and dishonored, to the States and the people, for whom he considers them good enough, not being good enough any longer for the chaste embraces of this most pure administration. Oh, no, not pure enough for this self-denying, virtuous, humble, and righteous administration, which, eschewing all adulterous connexion with power, or patronage, or spoils, or banks, will be honestly married to hard money, and, from its humble residence in a sub-Treasury, prove its virtue to an admiring and incredulous people, by crying fie! fie! at the State banks.

Why, Mr. President, the honorable Senator [Mr. BUCHANAN] who has just taken his seat, was one of the loudest eulogists of the State banks, from the day of the removal of the deposites up to this extra session. He, with the rest of them, lauded the experiment to the skies, deified the great experimenter, and, rapt in prophetic fire, predicted at the beginning the most glorious results—the best currency the world ever saw—the most fixed prosperity—a grateful people and triumphant Government; and then it was proclaimed with exultation that prophecy had become history; that all the flaming predictions of patriotic enthusiasm had been more than realized, and that democracy, Jacksonism, and the pet banks had established a political millennium. Such were the declarations of the Senator, and those who act with him, up to the 4th of March last. And now, sir, in the short space of six months, these very gentlemen turn short round, and with a gravity which would be ludicrous, if experience had not taught us to feel that their gravity is terrible, tell us that this Government has nothing to do with currency; that ours is the worst in the world; that the experiment has utterly failed; that the State banks are utterly unworthy to be trusted, and unfit to be used as financial agents; that the people must undergo another experiment, and not for a moment imagine that, when it has failed like the last, the experimenters will turn coldly upon them, again smile at their folly, and advise some new legerdemain, to amuse us for the time, and to enable them to keep their places. For some years past, sir, I and my friends have been denounced as United States Bank advocates and anti-State rights men, because we would not attribute all honor and glory to the State banks; and now, again, we are denounced as United States Bank advocates and anti-State rights men, because we will not attribute all sin and infamy to the State banks; and when the wretched system now proposed shall have served its hour of delusion, and brought us to an avowed Government bank, then we shall be denounced in the same terms, from the same quarter, for not acquiescing in this ultimate, inevitable, and designed destiny of all these measures.

From this general imputation against the administration party of indecent tergiversation, justice and candor demand that I should make an exception of the Senator from Missouri, who, with unwavering pertinacity, has adhered to his hard-money project, defending, with paternal solicitude, against all assailants, his own political offspring, whatever may have been the momentary pet of the administration, until he has achieved his present triumph. Well may the honorable gentlemen congratulate himself upon his measure having survived for years the persecution of both sides of the House, until now, adopted as the bantling of the Government, it no longer requires his guidance or nurture.

The honorable Senator from Pennsylvania [Mr. BUCHANAN] not only treats the late experiment as an absurd measure, predestined to inevitable failure, but, with the proverbial zeal of recent conversion, denounces his late pets with bitter invective; delights to swell the key-note lately given from the Hermitage, by exaggerating all the evils produced by the banks, and attributing to them others, which I believe to be entirely imaginary. That great evils have resulted from the overaction of the banking system is entirely obvious; but that all the difficulties and distress which the country now labors under have sprung from this cause, is a gross and dangerous fallacy. The honorable Senator knows better than I can tell him, that no country is exempt from vicissitudes of prosperity and adversity, and that all commerce ebbs and flows. Even in

those hard-money countries which the gentleman is so well acquainted with, in Russia, Austria, and Prussia, and, still more, even in that beau ideal of a hard-money country, Algiers, where there was lately found in the Government strong-box unsunned silver, that was told by the bushel; even in those enviable and envied States there have been seasons of pressure, of commercial distress, of deranged currency. Indeed, Mr. President, it is of the nature of all human institutions to fluctuate; to advance, and to recede; to expand, or to contract; to be subject to overaction or to apathy; and in our country especially, where every department of human industry is urged by the unbridled will of the citizen, this alternate propulsion and recoil must be proportionally violent. While I concede, therefore, that there has been an overaction of the banks, still I am a friend to those institutions; and I assert with confidence that, in the midst of the evils which they have in part contributed to, their influence has been salutary and protective. With or without the banks, this commercial storm would have burst upon us; it might not have done so much harm without as with them—as the loss of a crop on barren land is not so great as that on fertile; but when the storm did come, these institutions have stood between us and its ravages. Under the protection of the incorporated credit of the community, the individuals of the community remain safe until time is allowed them to recover their means and meet their responsibilities. In obedience to the wishes of the people, and for their benefit, the banks suspended specie payments; and this they were able to do without loss of credit, the public having no doubt of their solvency. The banks have a double fund for the discharge of their responsibilities: first, the specie in their vaults, which is sufficient to meet ordinary demands in the usual routine of business; and, secondly, the infinitely larger fund made up of all the property of all the drawers and endorsers of notes to whom they have loaned. A demand upon the banks beyond the capital in their vaults is, therefore, a demand upon the individuals of the commuity, and if it be so sudden or violent that they cannot meet it, inevitable and general ruin is the consequence. Whatever cause we may have to deplore our recent sufferings, they bear no proportion, they give no indication of what they would have been, if the banks had gone on to pay specie, wringing it for that purpose, by forced sales of property, from the people, making a hundred bankruptcies where there has been one, and sacrificing the whole property of the country without paying its debts. The banks, the States, the General Government, and the people would have been involved in one common ruin. From this we have been protected by the stoppage of the banks. And, Mr. President, this suspension has operated on this occasion as it did in England and this country formerly—to the general relief, to the restoration of confidence, and to the instantaneous enhancement of the credit of the banks themselves. Sir, I thank them for their prompt and wise action, and would regard with indignation, were it not for the contempt I feel for it, the Executive recommendation of a bankrupt law, to be applied exclusively to them. The banks have not merited punishment, but thanks, for the suspension of specie-payments. Their sin was to be wheedled and seduced into a contaminating contact with a corrupt administration, which urged them to overaction by entreaty, exhortation, bribery, and bullying, and now rewards them (not unnaturally or unjustly, perhaps,) by proposing punishment for their unwise compliance.

Mr. President, the cant word of the day is divorce of bank and State. The honorable Senator from Pennsylvania has it often on his lips; but, as the gentleman argues that the union always was in violation of the constitution, it is rather a casting off than a divorce. But what is the divorce the administration proposes? A divorce of this Government from the State banks, from the State currency, from the whole monetary system of the States and of the people. You divorce this Government from its cumbrous and restraining connexion with the country, that you may be free to wed it to the money. You divorce it from the banking system, that you may, with a licentious polygamy, marry it to ten thousand sub-treasuries, making the whole land a Government harem.

But it is said that the experiment of the State banks has failed. Doubtless an experiment on the banks, made by faithless and incompetent experimenters, has failed. It was instituted in an open violation of law and the constitution. It was conducted with the rashness and precipitancy of personal purposes. There was scarcely a passing regard bestowed upon the financial aspect of the arrangement, the whole attention of the President being directed to its political and party aspect. There was an omnipotent President wielding an acquiescing Congress, ever ready to record either his passions or his principles; and his passions were excited at the moment into a fury, which I hope, for the honor of the country, history will forget. He pronounced sentence of death against the United States Bank; by his own will he confiscated its property, he seized upon the public treasure; and when Congress assembled here, we beheld, with amazement and terror, the President standing upon torn charters and constitutions, and holding in his hands the money of the people, which he had snatched from the custody of the laws. The popular branch of Congress acquiesced; the people, I regret to say, acquiesced. This omnipotent President seized upon the State banks, promised to us a better currency than the world had ever seen, and ordered these institutions to relieve the wants of the people by discounting liberally upon the Government money, which the President had added to the banking capital. The national debt was paid off; the income of the Government was beyond all former precedent; there was an enormous surplus revenue, and an irritated and furious Executive lashed up the banks to effect larger and larger discounts.

The supervision and restraining power of the United States Bank had just been removed. All the States created new banks to supply the place of the abstracted capital, and in their eagerness and recklessness quadrupled it. In the midst of this flush and plethora, the Government found itself in possession of forty millions of surplus revenue, and this was also converted into active bank capital. Much has been (and most properly) attributed to the agency of this surplus revenue in producing the present state of things. It is a political phenomenon without a prototype in all history, and could not but exercise a disturbing influence upon the politics, finances, and currency of the country. What were the remote causes of its accumulation it were perhaps useless to inquire. The immediate cause was the unreduced duties upon an increased commerce. By the compromise act of 1833, it was provided that the duties should be reduced by a fixed ratio, neither to be accelerated nor retarded; and this act was esteemed, and most justly esteemed, to be so sacred in its character and objects, of such binding as well as healing efficacy, that Congress was willing to brave the terrors of a surplus revenue, rather than disturb its provisions or loosen the obligations of good faith and honor as well as interest, which were pledged to its maintenance. But for this, the obvious method of evading the crisis was to diminish the taxes, and thus prevent the surplus, which my colleague then foretold would be the fruitful cause of financial disorders and difficulties. I do not know, Mr. President, how the United States Bank, if it had been in existence, would have got on with this surplus of forty millions; but it is ludicrous to think how, with your proposed system, you would have been counting revenue by the chaldron—you would have had two millions and a half avoirdupois of silver—you might have laughed to scorn the Dey of Algiers, with his eighty bushels of coin.

It was a capital error of the late administration to destroy the United States Bank without having provided in its stead some restraining power upon the banking system of the States. A very great, perhaps the main advantage of that bank was, that while it performed its own appropriate functions with unsurpassed wisdom and integrity, it also acted as a regulator of the state banks, keeping them, by a salutary check, within the legitimate bounds of banking. Each moved in its appropriate sphere, regularly and harmoniously, producing the happiest possible results. We had the best currency and the best condition of exchanges ever known in the world; and so firmly were they fixed, both by the organization of the banks and in the public confidence, that they could not be disturbed by the Executive or his party, until, by a nefarious act of open war, the President showed that the laws could not protect his victim from his fury. Then at once the whole organization was broken in upon and deranged; opposing forces and counteracting attractions whose well-adjusted combination had resulted in such harmonious action, and relations were disturbed and dislocated—confusion, violence, and eccentricity were of course the immediate result. But it was not only removing the restraint upon over-banking by the banks then in existence, but, what has been more productive of evil, was the unrestrained license given to the States to create a redundant banking capital. As soon as the United States Bank had received its death-blow, and while yet it lived, the States had created many times the bank capital which it had used, and both the old and the new banks rushed into the market with unbridled impetuosity. For this obvious and inevitable state of things nothing had been provided. The tendency of the States to an over creation of bank capital, and of the bank to over-bank, unless checked and restricted, is the great danger of our condition. My colleague, whose monitory voice was unfortunately unheeded, predicted these results in 1834, and proposed, as a means of avoiding them, a recharter of the United States Bank, with such provisions as it was supposed would ascertain, by slow and cautious experiment, how far the country could or ought to be "unbanked"—where the restriction upon our over-tendency to banking ought finally to be fixed. The administration, however, not perceiving or disregarding the danger, tore down with brute force the barrier which had been erected against the overflow of bank paper, and the country was inundated. This is the great difficulty which the Senator from Virginia has to encounter. No doubt the States and the State institutions will have received a salutary lesson in the present state of things. No doubt that the stern admonitions of disastrous experience will produce a decided effect; still, that very experience warns us that, without some restraining power upon the bank system, there is imminent danger; without some such I have great distrust of the permanent success of the project of the Virginia Senator, [Mr. RIVES.] I see the perils to which it is to be exposed. His project excites alarm, that of the administration despair. His project may succeed, that of the administration cannot.

A constitutional restriction upon the States in regard to the extent of bank capital to be created by them, ought to be obtained by a constitutional amendment. The pressure of the present difficulties would go far to induce the States to consent to the limitation of bank capital upon some fixed ratio amongst them; and if their wisdom and patriotism required to be stimulated to this prudent act of self-denial, that stimulus might be found in the fact, that the administration project makes the alternative to the States, bank restriction or destruction.

It is obvious that the evils of redundant banking, at present, are much more the result of indiscreet legislation in the creation of new capital than of indiscreet banking in the use of old. A document furnished from the Treasury Department shows that the bank capital now is more disproportioned to what it was four years since than the bank issues or discounts. There is, in regard to the latter, an ever-present, though sometimes sluggish principle of restriction to be found in the pecuniary interest of the institution itself. Over-issues endanger a bank, and therefore some degree of caution and hesitancy may be expected in venturing upon them. But the discretion of the Legislature is not aroused by any such necessity, and its prudence is apt to be overcome by the urgent solicitations of private interest, or the still more dangerous spirit of competition with neighboring States. Indeed, the extension of bank capital in one State imposes a sort of necessity for an equal extension amongst its neighbors. Its worse currency supersedes their better, and takes possession of their channels of circulation. It has all the advantages of supplying them with capital, and at length, when the revulsion takes place, all are involved in a common calamity—the States which created and the States which used the surplus capital sharing all an equal evil, having enjoyed an equal good. Thus are the States alternately put under a sort of necessity to push their banking to a licentious extent, and this will unquestionably be done, unless prevented by some overruling power, such as a consitutional regulation.

The principle is broadly laid down in the message, and practically imbodied in the bills now under discussion, that this Government is not authorized to regulate the currency, but that the States have an exclusive right to do so, as far at least as the circulation is to consist of bank paper. This power, repudiated now for the first time by this Government, is assumed and exercised by all the States. We are in the midst of a banking system, good in itself when not abused, and of paper money, eminently fitted for all the business of money when not issued in excessive quantities. To avoid the possibility of abuse, all that is necessary is, that the States should mutually fetter each other by a constitutional amendment, forbidding the creation by any one State of banking capital beyond a certain limit; for example, beyond $200,000 for each member of the House of Representatives, and forbidding, also, (if it be thought desirable) the issue of any note below a fixed amount. The constitution already takes from the States the power to issue bills of credit, and the restriction suggested is of the same nature and policy. If the party in power, and which for the sins of the land have ruled it with such absolute and destructive sway; if that party which professes such violent antipathies to a degraded bank paper circulation, had suggested some such measure when they removed the control of the United States Bank, much of our present distress would have been avoided; or if that party, which as yet alone holds power, (tottering and decaying, I trust,) would now move such a measure, the States acting upon the recommendation of Congress might, and I believe would, before the termination of your next session, put the banking system in a condition that would silence the stoutest and most clamorous advocates for divorce. This Government has caused the mischief—let it propose the remedy. Pass the order along the lines of your party, sir; they obeyed you for the expunging, and will hardly be less prompt to adopt a measure of obvious propriety—a measure which will take away from you, by giving to the people a sound currency, all pretence of separating yourself from it, which will leave you without excuse or palliation of your selfish withdrawal from the destiny of the citizens—a destiny which your misrule has made wretched, and threatens to make intolerable by perpetuating it. Let it not be supposed that it is possible in the nature of things for two currencies to exist simultaneously in the same community of different values. The worse, of necessity, expels the better. Thus the Government, by giving to gold and silver the exclusive power of paying public dues, makes it a better currency than any paper can be, and, by necessary consequence, makes them articles of merchandise and traffic, deprives them of the

character of a circulating medium, and thus abstracts them entirely from general use. If the note of a specie paying bank cannot perform all the offices of the specie itself, it is degraded by and to the extent of the difference. When, therefore, the Government, the great money dealer of the country, rejects notes and demands specie, it at once, by force of the act itself, debases the currency, and makes the money of the people worse than the money of the Government. It is not possible that you can separate yourself from the common currency of the country, and maintain peaceful or neutral relations towards it. The separation itself inflicts a wound, and every run which the debtors of the Government make upon the banks to enable them to pay Government debts is an act of hostility.

Then, sir, the distrust and suspicion in regard to the banks implied by the rejection of their paper, cannot fail to derange and injure that currency which is composed of it. Why, sir, will you not receive the notes of specie paying banks, as you have always done under the joint resolution of 1816? No answer has been given to this question but the vague and senseless cant word of divorce. Do you distrust the banks? Then propose measures of making them safe, so that you may no longer distrust them. Is your object to be paid in better money than the debts of the country are discharged in? Do you intend to abolish the banking system and substitute specie, or, as that is impossible, an irredeemable Government paper, a continental currency, by which this Government shall have the unlimited control of the whole property of the country? Are none of these your purposes? Why, then, demand specie, and reject the notes of specie paying banks? If you do not intend by your divorce to have a better medium of payment than that which the people use, what is the object of your measure? And if you establish for yourself this better medium, you make that of the people still worse; you not only abandon them, but aggravate their distresses. I have always held the true policy of this Government to be, that in the exercise of its granted powers it should so shape its policy that the incidental effects of its measures should operate to the good of the community —that the collateral action of its money-power, for example, should be so regulated as to sustain the currency, relieve the embarrassments of commerce, and facilitate the business of exchange. If there were in our community any bloated millionaire, any Rothschild or Baring, who from the extent of his operations could influence and control the moneyed affairs of the country, and who by that influence had induced distress, and difficulty, and embarrassment, and, in the midst of it, should demand the "constitutional currency," with what burning indignation would a suffering and insulted community denounce the wretch, and drive him from our borders!

I hold it to be a clear proposition, Mr. President, that this Government is bound not to make for itself a better currency than that of the people; and it results from this, that if the currency of the people is not good enough for the Government, it should suggest measures for making it so. The United States Bank effected this object; that you have destroyed, and by general consent it is not to be revived. The same object can be effected by a constitutional limitation upon the banking power. By this means you will have a sound currency for the people and for the Government. By this means you may continue the safe and long-tried policy of the resolution of 1816. By this means you at once restrain and strengthen the State institutions; you give them vigor by pruning, and you will enable them forever to supersede all pretext for a United States Bank.

There are, Mr. President, some gentlemen who are opposed to any measure which has for its object the restoration of a sound paper circulating medium; whose eyes and ears can delight in nothing but the glitter and jingle of metal, and whose happy hallucinations continually picture to their fancy a sort of Saturnian reign, a golden age, a pastoral state of political simplicity and beatitude, exempt from vicissitudes, amidst perpetual sunshine and perpetual peace. Of these romantic politicians there are but a few, and they would do well to study the most authentic chronicle of that ancient king, to whose earnest prayer the mischievous deities granted the power of converting all he touched to gold, and of whom the very winds proclaimed to mankind

"Auriculas asini Midas rex habet."

Certainly, sir, the idea of establishing a pure specie currency for this numerous, commercial, and rapidly growing people, is very chimerical. The purchase of the specie requisite for this purpose would cost an enormous sum. One very efficient cause of our present difficulties is the large importation of specie, forced by the blind and ignorant policy of the late administration, with apparently no other object but that of boasting that they had eighty millions in the country, while the country is not only bankrupt with it, but in a great degree in consequence of it. The vast consumption of the precious metals, in various manufactures, and the diminished production of the mines, have enhanced their price to a degree that would make them a very expensive medium of circulation, while they are by no means so convenient as paper. Indeed, it may well be questioned whether the metals could answer the purpose of currency for our enterprising community, spread over so vast a surface, and engaged in such complicated commercial adventures. All this, however, I understand to be given up. The flood of specie which was to run up and down through the country in such strange courses is indefinitely postponed, or rather, perhaps, has subsided into that little Pactolus, which, dribbling from the exhausted Treasury, flows in tiny meanders round these walls, for members to dip their fingers in, while there is not a drop for the people.*

But, Mr. President, although it be no longer contemplated to fill the country with specie, it is not the less insisted upon by the measures under discussion to demand it in the payment of revenue. The most obvious consequence is, that the action of the Government will increase the price and keep up the demand for the precious metals; by which means, the resumption of specie payments by the banks will be rendered impossible. Let me, sir, point out the separate links of the chain by which you are to bind down the prosperity of the country.

1st. You confer upon specie a use which does not appertain to the note of a specie-paying bank, convertible into specie; thus specie is made better than the best note, and a run is created upon the banks to the extent of the difference.

2d. The Government dues are almost a million and a half a month; the demand for this much specie must necessarily threaten the banks with a disastrous run upon them the moment their doors are opened.

3d. The prospect of such a state of things will make it necessary for the banks to press their debtors, for the purpose of fortifying themselves; and thus the two great creditors of the country, the Government and the banks, will be pressing the people at the same time; the Government compelling the banks to this course for the purpose of trying an experiment. It is obvious that, under such circumstances, the banks will postpone the resumption of specie payments, and at length, perhaps, be driven to it through their own and the ruin of the community. These are necessary results from the attitude of hostility in which the measures before us would, if adopted, place the Government and the banks. In such a contest, where the Government, from the beginning, has been in the wrong, and

* Members of Congress are paid in gold.

where its success can be achieved only by a wide-spread desolation of the property and prostration of the energies of the country, I cannot wish success to it. I doubt whether this Government is worth to my constituents what it will cost them to make this experiment.

It is to be continually borne in mind, Mr. President, that the proposed divorce not only contemplates a rejection of the banks as Government agents for the receipt, custody, or disbursement of public moneys, but, what is of much more consequence, the rejection of all State bank paper in the receipt of Government dues. This last is the aspect in which I have been considering the proposition; and I have shown, uselessly, perhaps, how futile or pernicious would be the attempt to substitute specie. I say uselessly, perhaps; because, though specie appears in the bill, and although hard money—constitutional currency—gold and silver, are clamored through the country, I am not inclined to believe that there are a half dozen men in Congress who seriously entertain thoughts of actually adopting this absurd policy. It is a pretence; a matter to cant and electioneer upon; in short, sir, a humbug. No Senator has been able to get through a speech without a suggestion of paper money of some kind or other. To this complexion must we come at last. Even the Senator from Missouri, the great propositus of the hard-money family, admits the necessity of discharging Government dues by bills of exchange, drawn from one sub-Treasury on another; which, while they are in transitu between the place drawn from and the place drawn upon, must serve, to a certain extent, as circulating medium. The actual condition of our affairs will show the operation of this system. At this moment the largest disbursements of the Government are in the Southwest and West—for the Florida war and for the protection of the Western frontier; the next largest disbursement is for fortifications and harbors in the North. Now and at all times New York is the great point for the collection of the revenue, there being about as much collected there as in the whole of the United States besides. These heavy disbursements, therefore, are to be made by bills of exchange upon New York. The workmen in the North and the soldiers in the South will be paid off by an exchequer bill upon New York, and this bill circulates until it is presented for payment. Until that time it is paper money, and in the mean time the Government has locked up the specie which it represents. The Government receives its debts in gold and silver, and pays its debts in bills of credit. The gold and silver are buried, and the bill is in circulation; and this is called the hard-money currency. I shall have occasion by and by to show that this is in truth and in fact a banking system; but my present purpose is merely to show that it is a paper currency convertible into specie in the city of New York. The supporters of this scheme rely upon what they consider a profound feeling in the community of hostility to bank paper. I think they are mistaken in regard to this feeling. The practice of this Government and of the States indicates no such prejudice. There has been a United States bank during eight-tenths of the existence of the Government, and there have been State banks during the whole period; and although the system has occasionally, during times of pressure, been assailed by a few ardent minds, yet the great onward current of public opinion has set directly in favor of it. There is, however, a deep-seated and wise public opinion, inherited from our ancestors, against Government paper. We have hardly a more vivid recollection of the glories of the Revolution, than of the disasters of the continental money. The heaviest penalties of the laws, the utmost tension of public spirit, the devotion which submitted to the encampment at Valley Forge, and the campaign of the Jerseys, all put together, could not keep up the Government paper. No Government has been found strong enough for this purpose. The revolutionary Government of France, the reign of terror itself, was not strong enough to create that vital spirit, that subtile and ethereal essence of all currency, confidence; and, for the want of it, the assignats sunk to nothing; although sustained all around by penal statutes. It is because we have not forgotten continental money, because we have not forgotten the assignats, that there is a settled hostility in the public mind against Government paper. But, if it were a new matter, in regard to which we were deprived of that intense light of experience which, fortunately, we possess, a single view of the proposition would at once condemn it forever. It is proposed to make this Government the creator, centre, and controller of the circulating medium of the country; to give to it the power of regulating the price of every man's property, and of deciding, according to its caprice or the exigency of party affairs, whether those who owe money shall pay it according to the contract, or doubled, or divided; for the power of deciding upon the quantity of money implies all this. All this, the dexterity of debate might retort upon us, is possessed by banks, if they be permitted to exist. But we have the guaranty of their own interest that they will be careful how that power is exercised, their successful operation depending upon the prosperity of the people; whereas the interest of party, the desire for spoils and place have been found to control the politics of the country. So deeply felt is the danger of combining the political and the moneyed power in the same hands, that all parties have in turn objected to the measures of their opponents, by stigmatizing them as having this tendency. The danger, it is said, of the United States Bank is, that the Government may get control of the money power. The danger of the pet bank system is, that the Government may get control of the money power; and, to avoid these dangers, it is proposed to give to the Government at once the whole power to create and control the whole money of the country; and this without the salutary check which all ages have found to reside exclusively in the convertibility of paper into specie. This is the great check in the banking system; a check which, to be sure, like all human restraints, may occasionally prove inoperative, when fraud is stimulated by temptation, or crime urged by necessity. But have we found angels in the shape of Government agents?

We all know, sir, by what indirect, crooked means the present administration came into power, and what prodigious agency the usurped and illegitimate control over the currency had in effecting it. Confer upon it the power of issuing paper money, let Congress assume the power of making it, and do you believe, sir, that the country will ever be strong enough to stand up against the Executive? Will not its present waning power, will not its reeling and rickety majorities be revived and increased, and its ignominious reign, now just about to be closed by the sentence of an indignant people, be perpetuated until our institutions perish with the vampires that feed upon them? Let those who look with favor upon the project of endowing this Government with new powers over the currency think a moment of the history of the last four years. While the currency was regulated by the natural and undisturbed action of the banking system, we had nothing left to desire; when the Government undertook the management of it, we soon had little left to lose; and yet the control which the Government has had for the last four years is nothing to the grant which is suggested of the money-creating power. I have before asked, sir, whether all history can furnish an example of a sound currency made by Government paper. I now ask, with as much confidence, whether in all history a Government can be found assuming the power to make its own paper answer the ends of money, that it did not abuse the power thus assumed? History holds but one language, and that proclaims the perils into the midst of which we are hurrying. Let us not turn a deaf ear to the warnings of past times. I tremble, Mr. President, when I

hear my colleague say, "There is another and a final reason which I shall assign against the reunion with the banks. We have reached a new era with regard to these institutions. He who would judge of the future by the past, in reference to them, will be wholly mistaken." I should be deeply grieved to think so. I should lament to believe that we are so adrift upon an unknown ocean, with an unknown heaven above us, that the light of the polar star can no longer reach us, and that our only hope for a safe navigation through the perils which beset us is, either in trusting blindly to the pilots who have brought us where we are, or in following the meteor corruscations of genius, which too often dazzle rather than guide. For myself, sir, I will continue to look out for, and endeavor to steer my course by, the steady light of experience—that light which beams from its fixed, unalterable position in the firmament of the past, through the misty prejudices and stormy passions of the present, showing us the way of safety and deliverance. If I could shut my eyes against this light; if I could forego the solemn warnings of experience yet ringing in my ears, in favor of the revelations of genius, I should go nowhere for them with so much confidence as to my colleague. But, sir, on the subject of an inconvertible Government paper the past is too pregnant with monitions to be disregarded. History has erected warning beacons on all sides of us. Our colonial, our revolutionary history, the old Congress, all the States, concur in exhorting us to avoid this fatal evil. The constitution has imbodied and perpetuated the terrors of our ancestors. "No State shall issue bills of credit." In this clause, sir, is declared the bitter experience of the Revolution. North Carolina, my colleague supposes, has furnished an exception to the history of her sister States and the world in the success of her Proc. money, as it was called. The history of that affair makes no exception to the general destiny of Government money. It fell below par, it embarrassed and confused the financial action of the State for very many years, and was finally burnt, with three or four times its amount in counterfeits, by the Treasurer of the State. My colleague's researches have not enabled him to cite any other instances than this of the proclamation money of North Carolina; and whatever weight this may be entitled to, I am persuaded is against his proposition; while the old Congress, and, I believe, every one of the revolutionary States, afford woful examples of the disastrous futility of Government paper. It is impossible that it should be otherwise; for the primal law, the fundamental principle, the living soul of currency, is that it be property, or be readily convertible into it. Convertibility makes currency. Paper is money, because it represents property; and, losing the representative quality, it is but paper, and there is no magic in Government to make it otherwise. This necessary incapacity of Government to convert itself into a manufactory of money is one of those limitations upon despotism that the friends of freedom cannot too much rejoice in; and surely, Mr. President, if the question were whether we should, if we could, endow this federative agency with such a monstrous power, would we venture upon it? As guardians of the rights of the States, as jealous asserters of the limited character of this Government, as advocates and lovers of free institutions, would we give this tremendous power to this Government? No, sir. If we must have a Government paper; if this absorbing and destructive aggrandizement of Government power must be conferred, give it to the States, sir, and do not convert this Government into a money manufactory. Sir, I will not trust this Government with such a power, no matter who administers it; even if our own wise and pure Washington, (all will feel how extravagant the supposition is,) even if he were at the head of affairs. Could I then, sir, entrust it to a party whose wretched mismanagement and incompetence have brought us to this mournful condition? Shall I be called upon to confide greater powers over the currency to those who, with such powers as they have, have produced so much disorder; or, rather, sir, to state the proposition truly, shall I entrust them with much power because they have ruined us with a little? Those who govern us have given testimony of their financial abilities; if we are satisfied with the past, why, sir, pass these bills?

For one, Mr. President, I do not at all share the confidence in this Government which my colleague avows. I look upon it with an habitual distrust and jealousy, sharpened instead of blunted by recent events. My colleague says "I rejoice to think that the Executive Department of the Government is now so reduced in power and means, that it can no longer rely on its influence and patronage to secure a majority. Henceforward it can have no hope of supporting itself but on wisdom, moderation, patriotism, and devoted attachment to the constitution, which, I trust, will make it, in its own defence, an ally in effecting the reform which I deem indispensable to the salvation of the country and its institutions."

I do not participate in these sanguine expectations; I see nothing in the proposed measures to quiet my long-established terrors of Executive power. I see before me the same men whom I have been all along warring upon—those men who have subverted the constitution, and usurped all powers—those men who issued the proclamation against South Carolina, who passed the bloody bill, who seized the deposites, who expunged the records of the Senate, who have perpetuated their control, by using the patronage of the Government and the plundered money of the country, in the hands of one President to make his successor. I see before me these men avowing, vindicating, and exulting in all that they have heretofore done, and proclaiming that they will persist in the same policy. All this I see, and I cannot give them my confidence. Let them resign, let them acknowledge their incompetence, and testify in sincere repentance, and they may be forgiven for the past. But still, Mr. President, I will not trust them for the future; I will still be jealous and circumspect, in regard to them and to this whole Government. It may be that the administration is weakened and stunned for the moment, and is terrified that its misdeeds are about to be avenged by the indignation of the people. It may be that, like sailors in a storm, they will be pious for a moment; but, even if this were the case, I should have no great faith in their repentance. I do not, however, see any signs of repentance. I see their terror distinctly enough, but there is nothing in their demeanor that would induce me to select them "as an ally in effecting reform."

With these feelings, therefore, and prejudices, if you choose, Mr. President, I do not come to the consideration of the Executive measures with a predisposition in their favor; but, on the contrary, I am animated with a decided disinclination against any project which proposes to endow this Government with a new power, or to intrust my rights and liberties to the keeping of the newly-enforced "wisdom," "moderation," "patriotism," of this administration.

My colleague states, as a main objection to any connexion of the Government with the banks, the unsteadiness produced in the currency by the action of Government. He says:

"It follows as a necessary consequence that, to the extent of this influence, the issues of the banks expand and contract with the expansion and contraction of the fiscal action of the Government; with the increase of its duties, taxes, income, and expenditure; with the deposites in its vaults, acting as additional capital, and the amount of bank notes withdrawn, in consequence, from circulation; all of which must directly affect the amount of their business and issues; and bank currency must, of course, partake of all those vibrations to which the fiscal action of the Government is necessarily exposed, and, when great and sudden,

must expose the system to catastrophes such as we now witness. In fact, a more suitable instance cannot be selected to illustrate the truth of what I assert than the present, as I shall proceed to show."

Now, if this be true when the Government is operating upon banks which trade on a specie basis, and are cautious of their own interests, how much more true is it when the Government, divested of all such connexion, and having full control of the currency, will expand or contract it, according to its necessities, whims, or party purposes? I understand the proposition to be, that the banks are to be discontinued because their paper partakes of the vibrations to which the fiscal action of the Government is exposed. But it is obvious that Government paper (that is, a currency created by the fiscal action of the Government) will be still more immediately and intimately affected by the vibrations of that fiscal action than bank paper. The banks are some check upon these fluctuations, which, without that check, will necessarily be greater. I can easily conceive that if this Government undertakes to decide on the quantity of money, or to regulate its issues by law, nothing can be more uncertain than its quantity, and therefore value, from year to year. If it be regulated on a ratio with the revenue of the Government, we may estimate the fluctuations by the receipts of 1836, compared to those of 1837. Or, if it be submitted entirely to the discretion of this Government, let the various opinions at the present moment, in regard both to the quantity of money in circulation, and to the quantity which is necessary for circulation, teach us a lesson of caution. The administration party at this moment suppose that the country labors under a redundant circulation, and, if it controlled the currency, would immediately curtail it; while, perhaps, the better opinion is, that the money in circulation is hardly equal to the wants of the country.

I cannot but think, Mr. President, that my colleague habitually overrates the influence of the fiscal action of the Government upon the currency, in regard to the expansion or contraction of it, and especially if he be correct in supposing that the income of this Government is now reduced to an economical standard, and that the Executive will sustain itself only by wise, patriotic, and moderate measures. He supposes that the Government has power to make an inconvertible paper money circulate, which I conceive to be beyond the power of any Government; and this idea seems in part to result from what I consider a misconception he has fallen into as to the credit which sustains bank notes. He supposes that this credit is conferred to a great extent by the Government making them receivable in public dues, which he illustrates by stating that if the Government would say that it would take in payment of its dues the notes of any beggar in the streets, such notes would be current. I do not think they would be current, unless the dues of the Government were unlimited, or the notes of the beggar limited. If, as I have endeavored to show, a Government cannot make its own notes circulate at par, it cannot make a beggar's. The case of the beggar would be analogous to that of the banks, if the Government said that it would take his notes as long as he continued to pay specie, which is the language of the resolution of 1816 to the banks. The endorsement of the Government on the bank notes was not "receivable in public dues," but "receivable in public dues as long as specie can be got for it." The efficacy of such an endorsement to confer credit is not very perceptible. The convertibility of the note makes it good without the endorsement; nor does the withdrawal of the endorsement injure its credit. The pet banks were not in better credit than the rest of the banks, nor did the withdrawal of the Government from all bank paper whatsoever strike down its credit. When the banks suspended, the Government withdrew its countenance, and yet the notes maintained, and still maintain, their credit, and this, too, when the Government has not only withdrawn its credit, but is waging a war of extermination against the banks. The community believes in the ultimate convertibility of the bank notes, and therefore trusts to them; and believing, moreover, that the prospect of that convertibility was improved by the act which made the Government withdraw its credit from them, the general credit was enhanced by it. Sir, let those who conceive that there is magic in the Government touch to confer or to take away credit, look to the recent history of the United States Bank, whose bills have been "every where at home," while the Government has been waging war against them all over the world. Amidst all the ruin which that war has occasioned, amidst the prostration of so much wealth, and the loss of so much credit, with a distressed people and a bankrupt Government, the credit of that bank is yet untainted, and its successor, under the wise and honest management of Mr. Biddle, is, by general consent, ready now to redeem you from your difficulties, and would be appealed to, but for that pride of opinion which prefers to suffer rather than acknowledge an error, especially when the suffering is that of the public, and the error that of the individual.

Mr. President, I deprecate this mad and ferocious warfare against any of the institutions of the country, against the United States Bank formerly, against the State banks now. It does not appear to me that this root and branch policy, this tearing up things established, to supply their places with new theories, however neatly constructed, or carefully elaborated, is the part of prudence and wisdom. My nature and habits of thought, confirmed by the terrible experience of the last four years, make me a conservative. I hesitate at every proposition to destroy, that you may build again. If any of our institutions have suffered damage, let us repair them; if any portion of the vast edifice of our prosperity has been injured, let us with a cautious and reverend hand restore what has been lost, strengthen what remains, adjust the proportions, if you choose, proceeding in all with a sedate and steady purpose of not weakening the deep foundations. Let us not, sir, with a fantastic caprice tear down the solid, and let me say glorious fabric of our prosperity, that we may try, by as futile a device as the lamp of Aladdin, to build up another in one night, of fairy marble, and gold, and gems.

It is the part of statesmen to deal with the circumstances around them. In the closet of a philosopher, in the desk of a professor, speculation may discuss what is best, and genius indulge its aspirations for the "chief good;" but the practical politician is fenced around by inexorable necessities. He has to deal with things, not with ideas. He must control, not create. He must govern himself by the circumstances amidst which he finds himself, use the instruments that are presented to him, and be content with such results as he can attain, without attempting such as he can imagine. The genius and temper of Nopolean might aspire to a different destiny; but ours, thank God, is humbler and safer. We administer a limited Government for free and self-willed States, whose bidding and whose business we are to do. They have placed us their servants in the midst of a great banking system; a system of credit, surrounding, pervading, and penetrating the whole body politic.

Mr. President, we must conform to our condition, we must work upon the platform prepared for us, we must use the materials furnished to our hands. It is in vain to try to extricate ourselves from the condition of our existence. We have not the strength (God forbid that we should have it!) to disconnect ourselves from the circumstances in which the States place us. And if we attempt to tear ourselves loose from them, there may be much suffering, a struggle, an agony; but you will have at length to come back to your allegiance, and content yourself with reform instead

of revolution. Let us, then, wisely and at once, begin to correct, control, regulate, modify, adjust, do any thing but destroy.

In 1834, Mr. President, I entertained the same sentiments. I found all the great interests of the country implicated so thoroughly with the banking system, that to tear them apart at once would destroy every thing, and therefore I acquiesced in the proposal of my distinguished colleague for the purpose of making a cautious experiment, to ascertain the extent to which the banking system could be contracted or modified, so as to reject as much evil and secure as much good as it was capable of. It was then proposed to use the United States Bank, rechartering it for this purpose; that instrument is no longer within our reach; but here are the State banks still, and why not use them for the purpose of an experimental reform? They are in the best condition imaginable for that purpose. If the fiscal connexion of this Government with the banks gives it any portion of the control supposed, it may be used to induce the banks to limit their issues and extend the specie basis; in short to induce them to do whatever was proposed to be effected by the recharter of the United States Bank in 1834. My colleague, however, discriminates our present condition from what it was in 1834, by stating that *now* we are disconnected from banking, and were not then. I cannot perceive the accuracy of this distinction, either in law or fact. It is perfectly obvious that the States and the people are more involved at this moment with the banks than they were in 1834. As to this Government, in 1834, its deposites were withdrawn from the United States Bank, and, as far as law was concerned, were nowhere—the language of the day was "that there was no Treasury, that the money was in the breeches pocket of the Government." There was no law as there now is, making the banks depositories and fiscal agents. At this time the banks have large Government deposites in their possession, which are daily drawn upon; and, the resolution of 1816 being unrepealed, the banks can at any moment compel the Treasurer to receive their notes by resuming specie payment. Besides this, there are, by the Secretary's report, six banks yet used as Government agents and depositories. It appears, therefore, that both in law and in fact, the Government is less disconnected from the banks than in 1834!

And here, Mr. President, permit me to say one word on the subject of the partial disconnexion which has been effected by the Secretary of the Treasury. But for the perverse and blundering policy which has characterized his agency in this matter, as in all of his official acts, we should not have been brought here at this time. I do not speak, sir, of the manner in which he habitually miscalculates and confounds the public revenue, or of the absurd and mischievous execution of the deposite law, or of the pernicious fluctuations and embarrassments produced by his intermeddling with the exchanges, or of his execrable Treasury order, in regard to the public lands; but I allude to his immediate agency in producing difficulties between this Government and the banks. When the banks suspended specie payments, the act immediately reassured public confidence, as was proved by the rise of stocks; individual transactions with the banks were continued, and private deposites increased, until at this moment there is more money on deposite in the banks than ever was at any former period—than which nothing could more strongly indicate public confidence. In this state of things, had the Secretary of the Treasury permitted the office-holders of the Government to go on as every other individual in the community was content to do, they would have received their quarter salaries as usual, and the disbursements of the Government would have been made as usual; but he thought proper to issue a sort of circular to office-holders, as he had formerly done to receivers, virtually enjoining them to receive nothing but specie, and putting them on a plan by which they might enhance their salaries, by a traffic in dishonored Government paper. It was in this way that a pretext was obtained for this second removal of the deposites, and for a declaration of war against the State banks, as formerly against the United States Bank. But for this ingenious device, this stroke of financial diplomacy, we, sir, in all probability, should not have been here; and, by the regular meeting of Congress, a renewed prosperity, returning confidence, and the certainty of an early resumption of specie payments, might have spared us the anxious deliberations which now oppress us. The country, conscious of its own immense resources, and confiding in its own vast energies, would have even now been looking for the natural dawn of day, but that the Treasury interposed its huge and darkening bulk, not only giving no light itself, but intercepting that which otherwise would have been cheering us now. It was competent to the administration to have sustained and kept alive the wounded confidence of the country, by the easiest method in the world, if its purpose had not been other than the country's good. If the President had recalled the Treasury order in compliance with the wish of Congress, if he had said a word of kindness towards the banks, if he had disavowed his imputed hostility to credit and commerce, and chartered rights, if, above all, he had forborne to urge the wild and impracticable theories of his message, the natural springs of our prosperity would before now have begun to develop their recovered elasticity; and I believe, sir, that, even now, if we would adjourn to day, and go home, having done nothing, we shall assemble at the constitutional time, under auspices so much better than the present, that very few will be disposed to resort to the desperate surgery recommended in the message.

Let me, Mr. President, put a not improbable case. Suppose we assemble here, and find the banks paying specie, or upon the eve of doing so: will any one, then, propose to repeal the joint resolution of 1816, for the purpose of rejecting bills of specie-paying banks, and receiving gold and silver? I speak of nothing now, but of the divorce of the Government from convertible bills, which is the great divorce insisted upon—the question of the deposites being another and different affair. What I ask is, whether any one will propose, in the midst of solvent banks and convertible paper, to insist upon specie? To what end, if specie and paper be of equal value, as they are by the terms of the proposition? and so, too, in regard to any other kind of money it may be in contemplation to create. Is your continental money to be equal to the money of the people? Then it is useless. Is it better? Then it is a tax upon the people to buy it. Is it worse? Then it is a curse to the country, and a disgrace to the Government. But for the suspension of specie payments, which I contend was, in itself, a wise and proper measure, and full of salutary results, there would be no pretence for the indulgence of this rabid passion for experiment; the fiscal operations of the Government would have gone on; its reduced revenue would have been found to be to a great extent innocuous; experience would have pointed out and effected restraints upon the tendency to excess of the banking system; and the administration, weak from the manner in which it came in, weak from the load of misdeeds which it inherited, and has added to, and weak from incompetency, would have been compelled to permit the passage of laws to guard against a mischievous use of the revenue. But the present occasion is seized upon to drive us into new experiments, and made the pretext for a revolution in the monetary system of the country, by force of a single, sudden, and sweeping act of legislation. Nor, Mr. President, is the violence of the measure more objectionable than its delusiveness. It purports to be a hard-money project, while in truth it is the merest paper project that has ever been dreamed of since the continental

Congress—an inconvertible paper, which, if it circulates at all, must expel specie exactly to the extent of its circulation.

But there is one point of view, in which, as a Southern Senator, this resolution of the whole money of the country into a Government paper system strikes me with appalling terror. It is, that it establishes a centralization of the moneyed transactions of the Government and the country in New York, which will enhance the wealth, commerce, and political power of that already too powerful city, to such an extent as to make the other States of the Union provincial dependencies upon it. Already by the operation of permanent causes, and the action of this Government, there is a great ascendency acquired by that city. It cannot be otherwise, perhaps; all systems must have a centre. In every community, or association of communities, there is a centripetal tendency of the moneyed, and commercial transactions. This is, of the nature of things, a law of society. New York, therefore, is, by necessity, the commercial emporium of the United States as long as we are the United States; but nothing can be more unwise or preposterous, nothing can be more unjust to the Southern States especially, than for this Federal Government to increase by its policy this absorbing centralization. Already the receipts and disbursements of the Government are in one section, and we of the South have felt the disastrous effects of it; but when New York is made the pivot upon which the circulation of the whole country turns, what will be our condition? It is said that the banking system has a tendency to centralization, but it has also a centrifugal tendency. South Carolina has her banks, with their centre at Charleston; abolish them, give us the Government money, (and it matters not whether it be specie or continental paper,) and South Carolina has nothing of her own; she is consolidated upon New York, which is necessarily the centre of the General Government money transactions. The result is inevitable, and will be utterly ruinous. In whatever aspect I regard this project, whether I consider the political consolidation which results from the power of manufacturing money by this Government, or the financial and commercial cons lidation which results from the fact that New York must be the centre of the system, or the nature of the currency which is to be created, it is, in my judgment, liable to insuperable objections.

The rejection in the receipt of the revenue of the notes of specie-paying banks is the great revolution proposed by the present measure: this is intended as the vital stab to the banks; it is to be a standing discredit of those institutions, and the excuse for the Government to issue paper of its own to supersede theirs. The sub-Treasury system is less decisive and far-reaching. The currency established by law since 1816 was that of the bills of specie-paying banks; but the State banks have been used as depositories a much shorter time. Until recently the United States Bank had custody of the public funds; after that, the State banks and the States, by the deposite act; and at present they are in the hands of Government agents. The policy proposed by the bill under discussion is, that when the revenue is received in specie, or in such paper as by law may be directed, (viz: Government paper,) it shall be retained in the custody of Government agents throughout the country.

It is this new mode of custody by individuals, instead of by banks, and, as a corollary from it, the disbursements by individuals, which constitute what is called the sub-Treasury system. Hitherto it has been the policy of the Government to keep as distinct as possible the business of collecting, keeping, and disbursing the public money, for the obvious purpose of multiplying responsibilities and imposing checks. This sure and long-established policy of separating these functions is now proposed to be abandoned, and they are all to be blended in the hands of near ten thousand different individuals in various parts of the United States. And why is this fundamental change proposed? What is required in determining on the proper custody of the public money is, that it be kept cheaply and safely; and if the Government interest alone is to be considered, (upon which supposition the whole policy is founded,) when safety and cheapness are provided for, all is done that the Government need do. If the doctrine so strongly urged in favor of other branches of this proposed policy, that the Government must take care of itself, and let the people take care of themselves, be correct, then it is obvious that when your money is safely and cheaply deposited, you must look no farther; its effects upon the banks, upon the currency, upon the general welfare, are events put beyond the scope of your purposes or your powers, and are rejected by the fundamental principle on which your whole system rests, viz: that you have nothing to do with the currency. If it be your duty to reject a safe and cheap keeping of the public money because it will operate injuriously upon the banking system and the currency, then you are bound to avoid any other measure which is likely to produce that effect. Your first proposition proceeds upon the ground that the Government must take care of itself, and not look to the right or left in doing so. Your second proposition proceeds on the opposite ground, viz: that you must regulate your Treasury with a special view to the banks and the currency. Your plea for hard money is, that it is safest for the Government—safety is your object, then keep your hard money when you get it where it will be safe; but this you will not do. You will carry one part of your policy on the ground of safety of the Government, and the other on the ground of love of the people.

I have assumed, Mr. President, that the custody of the public moneys is safer in the banks than in the hands of Executive officers. Does any man doubt it; or has any one, even in the fury of that tirade against banks which constitutes the staple of every administration speech, ventured to say that the custody of these funds by the banks is not as perfectly safe as moral and physical agency can make any thing? In the midst of the general distress and insolvency which press upon the country, I am not aware that any thing has been lost by your confidence in the banks; but, sir, if your enormous revenue had been accumulated in the hands of ten thousand individuals during the recent rage for speculation and the consequent crash, where would your money have been? The experience of the Government is conclusive. It has trusted banks a thousand times more than individual agents, and has lost a hundred times as much by individuals as by banks. Why, sir, in that department of the sub-Treasury which is to be conducted by the postmasters, there are now, by a report from the Postmaster General, some two or three thousand defaulters. Banks are created with complex checks and responsibilities, for the purpose of keeping and managing money; and all this is done in the first instance, and afterwards superintended in its operation, by those whose direct interest it is to have it well done. On what different principles are Government offices filled? They are yielded to the arts of solicitation, given to a needy kinsman or a subtle tool, or, to avow at once the great principle of appointments, they are given for political purposes. This power of appointment is the great, the destructive branch of patronage which it is now proposed to increase to an enormous extent, and to strengthen by the whole money of the Government.

At the moment that the Government proposes to declare, by act of Congress, that banks are unsafe depositories of its money, all the money-holders of the country are contradicting the aspersion. The private deposites in the banks were never greater than at this moment, and vastly exceed your revenue. Merchants, artisans, agriculturists keep their money in the banks; every individual here, who by word

or act denies that the Government money is safe with the banks, contradicts himself by keeping his own money there. The most cautious and wily money-holder in the country will not trust his money to his own custody, but carries it to the banks; and yet you would delude us with the vain and presumptuous idea that you will get men more true to the Government than men are to themselves. Where every private individual intrusts his own money, let the Government confide its funds; and this will be the result even with your sub-Treasury scheme; for, if your agents be honest and faithful, they will carry the money to the banks for safe-keeping, under the conviction that it is safer in the banks than in their own hands. In such an event what do you gain by these intermediate agencies between you and the banks? Why, sir, you gain this: a new electioneering office-holder, with means in his hands of influencing the banks. You give to the Executive the use of the money on hand, without any trammel of law to restrain him.

If your sub-Treasury be robbed, shall your sub-Treasurer and his securities lose the money? If your sub-Treasury be burnt, and your funds with it, shall the poor officer and his poor securities bear the loss? You well know, sir, how subject the Post Office and Treasury Departments are to conflagration; against all this the banks guaranty you.

Then, sir, as to the expense. Thus far the custody of the money by the banks has cost nothing; nay, has been a source of income to the Government, for they have paid for the privilege of keeping the money. General deposites in bank would cost you nothing, because the banks are willing to take care of the public money for certain incidental advantages resulting from it. And here lies, Mr. President, the paramount objection to the use of the banks as Government agents. It is said that these "incidental advantages" to the banks are injurious to the currency, and increase the power of the Government, by the control it gives it over the currency. The principle upon which this objection rests is, that there should be no intermediate use of the public money between its collection and disbursement. The principle is a new one; for the last thirty years it has been thought politic that the large sums of money always in the hands of the Government should not be entirely dead to a country so much in want of capital as this; but that, either in the hands of the United States Bank or the State banks, it might be banked upon as private deposites are. Thus the country did not suffer the loss of the Government revenue between its receipt and disbursement, but portions perpetually returned to the community to stimulate enterprise. By this process the Government lost nothing, and the people gained. If the Government has a regular sum of twelve millions on hand, it is twelve millions permanently abstracted from the capital of the country. Now, it is said that the Government has no right to permit an intermediate use of its money; true, but it has no right to keep on hand twelve millions. The theory, to be sure, is, that money is collected to be paid out again, and not to be kept on hand or used until it be used for the legislative objects of disbursement; but, from the necessity of the case, it must accumulate, and, being accumulated, the policy has heretofore been to turn that accumulation to some account for the country.

But, it is said, this intermediate use, if entrusted to the banks, creates a political influence, and disturbs the currency of the country. If this be true, these deleterious effects would be hereafter diminished, by the reduced income and economical expenditure of the Government, and regulated by the "virtue, moderation, and wisdom," which are expected from the Executive. The evil would undoubtedly be much less than heretofore; and, I think, infinitely less than that which will result from filling the country with salaried agents of the Government, wielding immense masses of money, for private or party purposes. General deposite in the banks, with the obvious dangers which I recognise as belonging to it, I do not think comparable to the enhancement of Executive power and danger to the currency resulting from the sub-Treasury scheme. But there is an obvious mode of securing all the advantages I have attributed to the custody of the revenue by the banks, and of avoiding all the evils which are said to be apprehended. This mode, sir, is to make special deposites in the State banks. By special deposites is understood to be that deposite which the bank receives to keep, and not to use for banking purposes; and to return the identical thing to the depositor when drawn for. For this species of custody, from which the bank derives no benefit, some small recompense might be demanded, and given, not amounting to an assignable fraction of the cost of the sub-Treasury. By this means, the banks would do with the public money precisely what the law would impose upon the sub-Treasurer; and which would be more likely to fulfil the law—the bank or the individual? Which would the community trust? Which would you, or I, or any body trust? The bank, by possibility, might violate its obligations and commit a fraud. Are you safe in the hands of an underling party intriguer, who receives office, it may be, under the General Government, as the reward for his treachery to his own State?

I shall, Mr. President, as soon as it is in order, move an amendment to the bill before us, providing for the special deposites of the money in the State banks.

Sir, it is said that this Government should not entrust its money to institutions over which it has no control. The proposition amounts to this: that the Government has not power enough over the banks to protect its own interest; and yet, in the same breath, it is contended that to allow this Government to use those banks will endow it with a power over them dangerous to the country. The propositions neutralize each other. But I am not discontented to see this Government using State agencies as far as they are fit for its purposes. I am not averse to some little control, on the part of the States, over the moneyed power of this Government. It is one of the recommendations to my system, that the Government has not so much control over the banks as over its sub-Treasuries. The policy I propose, Mr. President, is simple, obvious, and dictated by our actual condition; it is to encourage the banks to resume specie payments, to receive, in discharge of Government dues, notes of specie banks, and to make special deposites in the State banks of your revenue, when collected.

Thus we conform ourselves to our condition; thus we acquiesce in the business habits of the country; thus we use the institutions provided to our hands; thus we preserve all that experience has proved to be good, and reform what experience has shown to require it. Thus, sir, we avoid the jeopardy of revolution; we escape the terrors of revolution, we escape the terrors of experiment—a word which, in the mouth of this administration, should appal the heart of every lover of his country. Let me examine for a moment, Mr. President, this sub Treasury experiment. My colleague has objected to the name of sub-Treasury. Sir, it is a misnomer—Government bank is its true name. From the first moment of its existence, it will be, as I solemnly believe it is intended to be, a Treasury bank, thoroughly equipped and calculated for Government and party purposes, and devised as the only means of preserving the ascendency of the party which has so long abused our patience. The course of proceeding is obvious and has been avowed. For disbursements in one part of the country, where the Government has no money, its sub-Treasurer draws a bill on another where there is money. This bill is paid to the Government creditor, or sold for funds to pay him with, and is thus put into circulation. The sub-treasurer at Orleans is thus a cashier of the branch at Orleans, who issues a bill payable at the

mother bank at New York. Thus the circulation of bills is established—bills issued upon the faith of specie or Government paper, in the hands of the sub-treasruers. Or if we are to consider the scheme as a whole, without reference to the parts, then the case is this: the Treasury draws a bill upon itself, and puts it into circulation, payable on demand. Now in what does this differ from a bank bill? It is obvious that this process makes the sub-Treasury a bank of issue and circulation; but is it also a bank of discount? The Government has funds in New York, and desires to have them transferred to Chicago; by what process is it to be done? Why, it discounts a bill of exchange on some merchant who has funds at Chicago, and pays him for it, either in New York or by a Treasury draft on Boston. In this consists the whole mystery of banking. The Government exchanges its credit for the credit of an individual, as in ordinary cases the bank does. And, sir, it is curious to remark how much more complete this system is than the first effort of the banking system. The origin of banking was this: specie was deposited, and certificates issued of the deposite, which were thrown into circulation, and upon presentation were paid. The keepers of the specie soon ascertained that these certificates returned in sums and at periods which might be calculated with great precision, and that only a small portion of them were presented for payment. Under these circumstances, the keepers abstracted two-thirds of the money confided to them, and were not detected for eighty years. This was the beginning of banking. The sub-Treasury system is far more advanced, and the sub-Treasurers no doubt will be equally skilful with the Dutch directors.

As our monetary system is now and has always been organized, there have been large moneyed and commercial institutions co-operating with private individuals, in conducting the exchanges of the country. The regulation and conducting of exchanges is a matter of infinite consequence in a commercial community, and of fearful influence if confided to direct political control. By the proposed system, you establish Executive agents through the country, who, having command of Government funds, go into the exchange market with irresistible power, and control this great branch of commerce, without risk or responsibility. To this huge banking apparatus, to this unchecked control over domestic exchanges, add to the Government the power of manufacturing paper money at its own pleasure; and will any man say that this is a confederated Government? No, sir, it is a consolidated, money Government, holding its tyrannical court in Wall street; for to Wall street are all its tendencies. It has been said that the United States Bank, established in Philadelphia, has a tendency to centralism; it is said that the banking system of the States, with a bank in every village and hamlet, has a tendency to centralism; but what is all this to that irresistible centralism which will be given to New York, when, to her present political banking and commercial power, you add the all-absorbing influence of this new machinery; which, operating with the undisturbed force of singleness and identity, brings every thing within her already too powerful grasp?

I cannot but consider, Mr. President, the policy proposed by the message as the very opposite of the true policy of the Government. We should reform our system, not crush it; we should deal with the circumstances around us, not attempt a new creation. We should not endeavor to effect an entire disruption of the ties which bind up our financial destiny with that of the States and the people, but try to regulate them, for mutual benefit—try to make the banks subserve the just ends of this Government, while they are permitted to perform what the States created them for. It is said that the experiment has failed, and ought not to be again attempted. Mr. President, the great experiment which has failed is that which the country has made with this administration; that is the fatal experiment, and that the disastrous failure; that is the experiment which it is madness to expect success from. To check and control and contradict and beat down this administration would effect more for the country in producing the true remedy for its disasters, than any thing else that can be done. The remedy which the case requires is confidence. Restore confidence, and you reinstate prosperity; conquer the administration, and you restore confidence. All its principles of finance have been wrong, violent, and preposterous. All men of property distrust it and its projects. If the great object of the vengeance and acrimony of the administration, if the reviled and denounced Mr. Biddle were to-day called to the head of the Treasury, in the place of Mr. Woodbury, it would in ten days add more than a hundred millions to the value of the property of the country; it would loosen those immense deposites now locked up in the banks, and send them abroad into the community; it would dissipate like a cloud the gloom from men's minds. It would do all this, because the community has confidence in the wisdom, integrity, and honor, of that persecuted gentleman. We need not expect the happiness of such a case as I have supposed; but we may, if we choose, revive confidence by other means—by our moderation; by our caution of entering on new experiments; by avoiding warfare upon the moneyed institutions of the country; by showing that we feel deep sympathy for the sufferings of the community, and are willing to contribute within our sphere to their alleviation, and to take our share of the burden. Above all, sir, let us deal tenderly and cautiously with this most delicate matter of currency; and when we have manifested such a temper and such purposes, confidence will be restored.

[Before Mr. PRESTON had concluded his remarks, the whole of which are given above, he yielded the floor for a motion for adjournment; and the Senate accordingly adjourned.]

SATURDAY, SEPTEMBER 30.

ANNEXATION OF TEXAS.

Mr. BUCHANAN presented three memorials from citizens of the city and county of Philadelphia, remonstrating against the annexation of Texas to the Union.

Also, one of the same kind from a number of citizens of Bucks county, Pennsylvania.

All of which petitions were laid on the table.

Mr. PRESTON took this occasion to state that an attempt would be made hereafter to exclude such petitions from the two Houses of Congress as had relation to the subject of slavery, the Southern delegation and the Southern portion of the country being determined to resist their reception; and that, at as early a day as was consistent with the proceedings of Congress, a motion would be made to that effect, for the purpose of testing the opinion of the country and of Congress on this subject; and that he (Mr. P.) stood pledged that the question should be presented here.

SUB-TREASURY BILL.

The Senate then again took up the sub-Treasury bill, with Mr. CALHOUN's amendment.

Mr. PRESTON resumed the floor in continuation of the remarks he commenced yesterday, and spoke about three hours, in reply to his colleague [Mr. CALHOUN,] and other members who had advocated the sub-Treasury and hard-money schemes. [His remarks are given entire in preceding pages.]

Mr. BROWN said, in rising to address the Senate, after the very able and luminous investigation which the subject then before them had undergone, he did so from no vain expectation that he should be able, by any thing he might

say, to impart any new interest to the debate, which had been listened to so attentively, or to add any thing of force to the argument by which it had been sustained. The acknowledged importance of the question they were called on to decide, the powerful influence it would exert on the future destinies of the country, either for good or evil, and the deep interest felt in relation to it by the citizens of the State which he in part represented, would, he trusted, excuse him for presenting some of the leading considerations which would govern his course on that occasion.

Before, however, he entered into an examination of the merits of the proposed measure, he would notice very briefly some observations that had fallen from several Senators who had preceded him in the debate. The honorable gentleman from South Carolina, [Mr. PRESTON,] who has just taken his seat, in the commencement of his remarks, had alleged that the late Bank of the United States had been constantly the subject of reference, by those who had spoken in this body in defence of the measures of the administration, and had deprecated its introduction into this debate, as tending to make up an erroneous issue before the country. It surely could not have escaped the observation of that gentleman, that the course of the late administration, in relation to that institution, had been severely arraigned by many of those who were politically associated with him in the progress of the present discussion. Thus invited by the political friends of that gentleman, in some measure, to bring into review the character and conduct of that institution, it could not justly be complained of, either by them or himself, that the invitation had been accepted, and that some reminisences had been called up, not, perhaps, the most gratifying to its friends, and but little calculated to recommend it to the public favor.

While, said Mr. B., the gentleman evinces so much anxiety that we should avoid making false issues before the country, is he quite certain that he is not himself obnoxious to the same charge? When he imputes to the administration and its supporters, the design of attempting to establish an exclusive metallic currency throughout the country, is he certain that he presents the question fairly? Does he, when he represents them as entering on a crusade to annihilate the State banks, and destroy the paper system, make up an impartial issue? He was well aware that many of the opponents of the administration had used no ordinary industry, for some time past, to produce the impression on the public mind, that it was a part of its system of policy to attempt the introduction of an exclusive metallic currency. The friends of a national bank, had been especially distinguished for their untiring zeal, in endeavoring to create this impression, no doubt hoping to profit by the apprehensions and distrusts which they expected to engender in the public mind, by the use of it against those in power. Neither the late administration, nor the present, had, on any occasion, promulgated this as a part of its policy. Neither, he was entirely confident, had, at any time, entertained a design so utterly visionary and impracticable in the present condition of the country. How, he would ask, could any well-informed person believe, for a single moment, that such was the design of those now in authority, when the Federal Government was entirely powerless to accomplish, by legislation, any such purpose? The States had been in the undisturbed exercise of the right to incorporate banking institutions, from the adoption of the Federal constitution down to the present time. A right now universally conceded by all parties, and which none were disposed to call into question. Congress could not, therefore, interpose its authority, either to suppress existing institutions, or to prevent the establishment of new ones, and could only exercise some indirect control over them through its revenue laws. Notwithstanding the insuperable difficulties which stood in the way of such an attempt, as well as from the want of constitutional power in Congress to effect it, as its own absolute inexpediency, yet we daily heard attributed to the administration, as a part of its policy, the intention to destroy the banking institutions of the country, and to substitute in their stead an entire metallic currency. Although the power of Congress was impotent for such purposes of destruction as were imputed, yet apprehensions were gravely expressed, here and elsewhere, that some such deep design was in agitation against the entire paper system, and that the country was to be visited with ruin and desolation, in all its branches of business and industry.

Mr. B. said he thought gentlemen might well dismiss all apprehensions which they seem to entertain for the safety of that system, as the danger, in his opinion, was much greater of its extending its power over the country, than of its being restrained within any reasonable limits. It had acquired a power, he feared, stronger than the Government, and above the control of the people themselves; a power which, if it remained unchecked, would, in his opinion, eventually overthrow our republican form of Government.

The friends of the administration had been reproached by the same gentleman, in no very measured terms, with having abandoned the State banks at this, the period of their greatest difficulty, and with having practised bad faith towards them, by refusing longer to employ them as depositories of the public revenue.

This charge was particularly applicable, said Mr. B., to the banks, and not to the Government. It was they who had abandoned the Government, and violated the trust reposed in them. By refusing to pay over large sums of the public money intrusted to them, they had deprived it, so far as depended on them, of the means necessary to conduct its ordinary operations. In having done this, they had voluntarily changed the relation which they had before stood in to the Government, and had incurred a forfeiture of their right to a longer continuance as its fiscal agents, under a provision of the deposite act. In this condition of things, when the trust reposed in them had been so grossly abused, was there any thing to justify the reproaches which were thus attempted to be cast on the friends of the administration, because they could not again give the banks their confidence, and place the Government again in a situation to be embarrassed by them? The gentleman who had preferred these charges, seemed to adopt a rule which was the very reverse of that generally acted on in such cases. Precisely in proportion as the banks have abused the trust confided to them, does he give them his confidence, and insist on their unworthiness to be continued as the depositories of the public money. When an individual employed an agent to transact his business, a flagrant abuse of the trust confided to him, was the best of reasons for his dismission.

Those in opposition seemed, on the present occasion, to discard this valuable rule, founded as it was in common prudence; and the very banks not long since so unceasingly denounced by them as wholly unfit to take charge of the public moneys, has suddenly become worthy of all confidence. The pet banks, as the gentleman from South Carolina had designated them, had cause to congratulate themselves that they had been so ably defended at this time by him, who but a short time since denounced their employment in the character of fiscal agents of the Government, as fraught with the most pernicious consequences to the country.

The same gentleman, said Mr. B., had alluded, in terms of sarcasm, to what he was pleased to call the repeated experiments of the party who for some time past had been in power, on the happiness and prosperity of the people of our country. He (Mr. B.) would ask what party was it that first commenced experiments on this subject, so far as the action of the Federal Government was concerned? Was it not those who had defeated the obvious intention of the framers of the Federal constitution, to make it a hard-

money Government? Was it not those who, in the early history of this Government, had established a national bank, and thus fixed on the country the paper system? The oft-repeated charge of tampering with the currency, and experimenting on that delicate question, was due, and most appropriately due, to that party who had introduced, and continued to advocate, a paper system under the Federal Government; in doing which, they had not only experimented on the currency, but also on the constitution under which they had professed to act. To recall the Government to the course on this subject, which he solemnly believed to be that originally designed by those who formed it, and to rescue it from the paper money experiments of those who advocated a national bank, was the great object which the friends of the present administration were endeavoring to accomplish.

If to bring the Government back, in this respect, to what its framers intended it; if to restore it to the true constitutional currency, constitute experiments, he, for one, was content to share in the reproach, in common with his political friends, which might be incurred by it.

But it seemed that the gentleman from South Carolina was not only opposed to what he had characterized as experiments, but he was most anxious that the people should get rid also of the experimenters. In this he was unquestionably sincere, as it would no doubt gratify that gentleman to see his political friends placed in power. The public good which the gentleman held out as likely to result from this change, reminded him, however, of an anecdote he had read of a queen of England, of German origin, who had but shortly before arrived in that country. While riding out one day in her carriage, she was saluted by many of the people of London with acclamations of great joy and respect; in return for which she most graciously assured them that she had "come to England for their goods." "Yes," added one of those in the crowd, "and for our chattels too." Mr. B. must be excused if he expressed the belief that the gentleman and his friends felt quite as much interest in the latter as they did about the former of these considerations.

The honorable Senator [Mr. PRESTON] has had recourse to his fruitful imagination to aid him in presenting the policy of the administration, in relation to its financial affairs, in the most unfavorable light. He represents it as a constant succession of changes—one thing to-day, and another to-morrow, and likens its course to the signs in the celestial system, to illustrate what he is pleased to consider its ever varying policy. He had undertaken freely to condemn all its imputed aberrations, but had not pointed out the manner in which they were to be corrected. He had undertaken to define the position of those to whom he stands opposed in politics, but has left it in some doubt under which of the signs of the political zodiac he himself will be found. But, if he did not err greatly, from certain mysterious givings out, which had fallen from that gentleman in the course of his remarks, he would finally settle down under the inauspicious sign of a national bank.

He had heard the remarks of the gentleman from Georgia, [Mr. KING,] in relation to the message of the President of the United States, with mingled feelings of regret and surprise. He must be permitted to say, that he had done great injustice to that able document, characterized as it was, in his opinion, by decision, moderation, and dignity. The gentleman from Georgia had taken issue with the President chiefly as regarded the expansion of the paper system, alleged by him to have taken place cotemporaneously in England with the expansion in this country, and also as to the amount of foreign debt owing from our citizens, which is estimated in the message at thirty millions of dollars, on the 1st of March last. Mr. B. had thought, as well from the debates in the British Parliament as from such writings of that country on that subject as had fallen under his notice, that the expansion of the paper system there, in the last few years, was almost universally admitted. The gentleman from Georgia was the first, so far as he was informed, to attempt to controvert this opinion. This he had endeavored to do by reading a statement of the amount of bank notes in circulation in England for the last four or five years, in order to show that it had increased but little in that period. He then draws the conclusion, because the amount of bank notes have not much increased in that time, that the paper system had undergone no material expansion in that country.

This was a very fallacious standard, remarked Mr. B., by which to judge of the extent of business done by banks. Their transactions, in paper of various kinds, were often very large, when the amount of their notes in circulation was comparatively small. That the rule assumed by the gentleman from Georgia was not a fair one by which to test this question, and that an expansion of the paper system, to a very great extent, had taken place in England, he begged permission to read a few sentences from an essay on banking, in a late number of that very ably conducted journal, the Edinburgh Review. After exhibiting the great number of joint-stock banks which had lately been established in England, the writer makes the following very just remarks: "This rapid increase in the number and in the issues of the joint-stock banks, has been, in part, a consequence, but in a much greater degree, a cause, of the late rise of prices, and of the existing excitement. But we should fall into the greatest possible error, if we supposed that the influence of the banks in question was to be measured by the amount of their notes in circulation, payable on demand. These, in fact, constitute but a comparatively small portion of their obligations. Most of them have been in the habit of trading, not on their own capital or on the deposites made with them, but on credit obtained in the metropolis and elsewhere. Instead of retaining the bills and other securities they have discounted in their coffers till they are paid, many banks have been in the habit of forwarding them to London to be rediscounted. To such an extent has this system been carried, that we are well assured that certain banks, with less than five hundred thousand pounds of paid up capital, have discounted bills and made advances to the extent of from five to six millions, and the engagements of others have even been more incommensurate with their capital." Here, then, is a statement fully proving the expansion of the paper system in England, as alleged in the message, and establishing the important fact that the national bank of England is incompetent to regulate it, and to prevent its running into those excesses, prompted by the inherent principles of the system itself. The great number of bankruptcies which, a short time since, occurred in the great commercial cities of England, was another proof that went to show the existence there of the same speculating mania which had produced such calamitous consequences in this country. He had, not long since, seen it mentioned, in some of the publications of the day, that the number of failures among the merchants and traders in England was much greater than the newspapers of that country had given an account of. There it was not necessary, for political purposes, to send forth exaggerated accounts of mercantile distresses, and to publish daily bulletins of mercantile failures, to alarm the country. The disgraceful and extraordinary avidity with which disasters of that kind had been trumpeted to the world, by a large portion of the opposition press in this country, often magnified greatly beyond what in reality they were, afforded a melancholy example of the reckless spirit of party, which had proved itself but too ready to sacrifice commerce, credit, country, and every thing that was sacred, to the advancement of factious purposes.

There was another circumstance, which he had often

seen stated in the publications of the day, and which remained uncontradicted, so far as he knew, that, of itself, and in itself, furnished the most irrefragable proof of the undue extension of the paper system in England; and that a spirit of wild speculation had been abroad there as well as on this side of the Atlantic. Many of her great banking houses connected with the American trade, are said to have actually despatched agents to the large commercial cities of this country, for the purpose of offering the most extended credit facilities to our merchants. It was in this way, that many who but a little while before were clerks, without either the capital or experience necessary to conduct large commercial operations, were suddenly converted into great importing merchants; and having failed for millions, the consequences of their own imprudence were now to be charged to the policy of the administration. It was this stimulus to overtrading, which had been furnished by the great expansion of the paper system in that country, united with the same cause here, that had proved so disastrous to the merchants of our large cities. The very excitement which had characterized it, in England as well as in America, clearly made out its diseased state there as well as here.

As to the second issue which the gentleman from Georgia had made up with the President, no precise data had been furnished to the country by which it could accurately be decided. The President, in his message, estimates the amount of debt owing in Europe, from our citizens, on the first of March last, at about thirty millions. The gentleman from Georgia thinks it much larger, and undertakes to prove it, by adding to what he supposes to be the mercantile debt, all the loans which have been negociated in Europe, by banks, railroad companies, and other corporations in this country. The President surely had never intended to comprehend, in his estimate, all the debts and loans contracted in Europe by corporations, some of which were payable not until many years hence. On the contrary, he speaks of the debts which had been contracted by our "citizens," thus obviously alluding to the mercantile debts due by individuals, as distinguished from those contracted by corporations. As he had already remarked, we had no means of arriving at certainty in estimating the foreign mercantile debt. He had, however, understood that the best informed merchants had supposed it not to have exceeded the sum of thirty millions on the 1st of March last. Its rapid liquidation, as is proven by the great fall in the premium on bills of exchange on England, goes greatly to favor the supposition that it had not exceded that amount, or otherwise it could not have been so much reduced in so short a time.

The gentleman from Georgia attributes much of the disaster which has fallen on the nation, in its pecuniary affairs, to the policy of the late President in relation to the national bank, and thinks that what he has been pleased to call "glory," is in a rapid state of depreciation. Mr. B. was neither an admirer of what was called national glory nor individual glory. If, however, it was meant to convey the idea that the distinguished individual who had lately retired from the station of Chief Magistrate of this nation to private life, no longer enjoyed that exalted eminence in public esteem which he had before occupied as a patriot statesman, he begged permission to differ from him. In the single act which the gentleman from Georgia had complained of, the late President had done enough to entitle him to imperishable fame, and to hand his name down to future ages as one of the great benefactors of mankind. In adding his humble testimony to the eminent public services of the late President, he was the more gratified to do so as it was a just tribute due to an individual now no longer in the possession of official station, but in the unostentatious retirement of private life.

He could not concur with those who sought a solution of the causes which had brought about the present commercial distress and embarrassment of the country in the policy of the late administration. Cause did not more certainly produce effect than did the paper system occasional revulsions in trade and commerce, whether it existed in the form of a national bank or of state institutions. This was undeniably proven by parallel cases of distress, which had occured in this country during the existence of the late national bank, and which had repeatedly occurred in England with a similar institution. But, besides the ordinary tendency of that system to visit on the country occasional pecuniary distress, he saw, in the violent political warfare which the United States Bank and its indefatigable partisans had waged against the party in power for the last five or six years, many of the causes which had led to the present state of things, and which the real perpetrators, with characteristic dexterity, were now endeavoring to charge to the policy of the late and present administrations.

The primary causes which had led to this catastrophe, in his opinion, were not of recent date, but had their origin some five or six years back. They originated in that rapid succession of expansions and contractions resorted to by the United States Bank when it was seeking to effect a recharter. The history of no similar institution in the world had been marked by so many and such sudden fluctuations in its management. Unless all past experience in banking is false, unless all that has been written by the wisest men on this subject is to be repudiated as untrue, this course of itself was sufficient to give an impulse to that spirit of speculation, which, roused into action then, has since spread far and wide over the country.

Among the most effectual of these expansions by the Bank of the United States in doing mischief, was that in the latter part of the year 1834, and in the begining of that of 1835, by which it increased its discounts, in the course of a few months, from about forty-five millions of dollars to about sixty five millions. It would be borne in mind, that this enormous increase took place some time after the removal of the public deposites from that institution, and after the State banks, strengthened by receiving them, had filled the vacuum in the moneyed circulation of the country, occasioned by the great reductions in its loans made by the Bank of the United States shortly after the deposites were removed. The United States Bank having thus discounted largely, when the channels of circulation were already full, powerfully contributed to create that redundancy in the paper system which has since produced so much mischief. Besides, he would ask what period has there been, since that time, that the country has enjoyed repose, from the violent and continual assaults made by that bank, and the powerful party which has acted with it, on the financial policy of the Government? What expedient has been left untried by them to frustrate and defeat that policy? Is it, therefore, now to be tolerated, that the perpetrators of so much of this mischief are to escape, by raising a false clamor against others? Imperceptible and difficult of detection as the means often were employed by a great moneyed power to accomplish its purposes, yet he could not doubt that the public intelligence was fully competent to understand the sinister agency which had lobored with untiring perseverance, and at the hazard of destroying the prosperity of the country, to effect its designs.

They had heard much of reproach and vituperation cast on the administration for having, as was alleged, failed to present some plan by which to relieve the country of its embarrassments. Did gentlemen suppose, when they seemed to consider Congress so entirely competent to relieve the country from its embarrassments, that it would pay the debts of those involved, and restore the losses of those who had been unfortunate? Their knowledge of the principles of the constitution forbade the supposition that this was the plan of relief desired by them. Every

measure of relief, which, in his judgment, the exigencies of the times called for, and which was compatible with the constitution, had been presented for their consideration, and had received the sanction of that body.

Was the bill which extended a very liberal indulgence to the merchants on a large amount of debt due to the Government, a measure bringing no relief? Was the bill granting further time to the banks to pay over the Government deposites, and which would enable them to extend more lenity to their debtors, of no value to the community? Would the bill which proposed the issuing of ten millions of Treasury notes, rendered necessary by the indulgence extended to the merchants and deposite banks, produce no beneficial effect? The very anticipation of the passage of these measures, and of the latter more especially, it was said, had already, in conjunction with other causes, produced a favorable influence on the money market in the large cities. If gentlemen in opposition, who had presented such exaggerated pictures of distress, knew of other and better remedies than those already proposed, and did not bring them forward, the country would hold them answerable for a dereliction of public duty. The physician who stood by and witnessed the agonies of the patient, and who knew the remedy, and yet would not apply it, was guilty of culpable negligence. A national bank, though not openly avowed as such, is, no doubt, in the estimation of gentlemen, the sovereign cure for the distresses of the times. Why, then, is it not preposed? Wherefore is there delay in bringing it forward? Is it apprehended that the patient is not yet sufficiently afflicted by distress to make him willing to receive the remedy? Is it necessary that he should be further tortured by bank chastisements, and alarmed by panic cries of distress, to subdue him to an acquiescence in the plans of those who have his good so much at heart? This plan of operations had been once before tried; it had failed then, and he predicted it would fail again.

Having, said Mr. B., replied to some remarks of honorable gentlemen which he considered of a character requiring especial notice, he would now present some of the principal considerations which had induced him to give the bill then before them, and the amendment proposed by the Senator from South Carolina, [Mr. CALHOUN,] his cordial sanction and support. The same considerations of wisdom and of common prudence, which would induce an individual to change an agent in whom he had reposed a trust, and who had proved unfaithful or incompetent, should admonish us, in our public capacity, to withdraw our confidence from those fiscal agents of the Government, who had so signally failed in performing the duties undertaken by them. The State banks had been tried as fiscal agents of the Government, under circumstances the most favorable to success. The nation had seen, with astonishment, in a period of profound peace, with no public debt burdening our resources, and with a Treasury abounding in means beyond all former example, the Government of the United States suddenly deprived of the means to carry on its ordinary operations, by the determination of the banks having possession of its revenues to suspend specie payments. Was it the part of wisdom, under such circumstances, to renew the connexion between the Government and the banks? Was it proper for those entrusted with the duty of conducting public affairs, again to subject the Government to the recurrence of the same evil, with perhaps still more aggravated injury?

For one, he wished to see the Federal Government taken out of the keeping of irresponsible banking corporations, and subject to be controlled alone by the will of the people, its only legitimate masters. So long as banks were made the depositories of the public revenue, the Government was dependent on them in conducting its most important operations, either in peace or in war. Its action might be arrested by their withholding its means in periods of the greatest public emergency. It could not in war command a squadron to sail, or put a battalion in motion, if the banks entrusted with its revenue should determine to withhold it. Its very existence might be endangered by being brought to a pause for the want of means. The reflection was humiliating, that a Government, which was noble in the republican simplicity of its structure, and destined to solve the problem of the capacity of man to govern himself, should be made to depend on the will of banking corporations for so important an element of its success as the certain command of its revenue. In placing it, in this way, at their mercy, it was exposed in its financial affairs to all the evil influences which they might exert, whether arising from caprice, political hostility, or the vicissitudes of trade. Nor was this exhibiting the danger arising from this system in its true extent. It could be demonstrated that the banks of any single one of the large commercial cities, in a period of overtrading, would have it entirely in their power, by suspending specie payments, to compel a general suspension of all the banks throughout the United states; and, by doing so, arrest the regular operations of the Government! The banks of a single city in one of the Eastern States, at a very gloomy period of the last war, availing themselves of the balances which had accumulated in their favor, in the course of trade, against the large commercial cities of the Middle States, had, by a demand on them for payment in specie, caused a suspension by the banks throughout the United States! This movement struck a blow at the Government, which had well nigh proved fatal to the success of all its operations in the great contest in which it was then engaged. That it was, in a great degree, the result of hostility to the cause in which the country had embarked, was then extensively believed, nor has that impression to this day been removed.

The State banks are, from the course of commercial transactions, so intimately and closely connected together, that what affects any portion of them in any one of the principal cities, is, to a greater or less extent, felt by all. The stoppage of the banks at either of the great commercial points, almost with the quickness of electricity, is felt by all, and is followed by all throughout the country, as a measure of self-protection. If this was proven to have been the case by the occurrence of that kind which took place in the last war, the circumstances of the country which now exist, are still more peculiarly calculated to produce such a result. The great increase in our internal trade, as well as foreign commerce, and the rapidity of communication now existing between the remotest points of our country, had produced a still closer connexion and sympathy between the banks than formerly existed, and doubly subjected all to the danger of being affected by causes operating on a few at a single great commercial point.

He had shown the great uncertainty and danger which the Government, by depositing its revenue with the banks, would be continually liable to, in its financial affairs. He had shown that these results might be brought about by the determination of the banks, at a single leading commercial city. Was it the dictate of wisdom thus to place this already great and rapidly growing republic under the control of a few great commercial cities, in a matter so materially involving its success, as well as its very being? Was it sound policy in that way to expose its financial action to the deleterious influence of the national Bank of England, and the great moneyed power of that country? Much the larger portion of the foreign commerce carried on by our great cities, was with England. He was informed that even a very large portion of the trade carried on by American merchants with other foreign countries, was conducted by means of credit obtained through the great banking houses in that country.

It was the misfortune of our great cities, if it was to be regarded as such, almost constantly to stand indebted to

England in a very large amount. Whenever our merchants overtraded with her to any considerable extent, her national bank could, if she chose it, produce a pressure through them on our city banks, and produce the hazard of their stopping specie payments. Her powerful agency to accomplish such a catastrophe may be seen in the suspension of specie payments by all of our banks, which has lately occurred in this country. The first movement which led to that unfortunate result was that made by that bank, by which she compelled the great banking houses of England, connected with the American trade, to discredit American merchants. Indebted to England as they were in a sum estimated at about thirty millions, and unable longer to draw bills to meet their payments on her banking houses, which had before given them almost unlimited credit, they were driven to the only other expedient left them of making remittances in specie, the demand for which compelled the banks first in our great commercial emporium to close their vaults.

Nor would a national bank have shared a different fate, if one had been in existence, under the same overwhelming causes. It would, no doubt, have been forced, under the great and extraordinary pressure for specie, to have yielded to the storm. To reunite the Government with the banks, would be, therefore, to subject it, in a period of overtrading, to the dangerous influence of the great moneyed power of England, operating at such a time, first on our merchants engaged in foreign trade, next on the banks, and, through them, on the finances of the Government. If its independence was to be preserved—if its regular constitutional action was to be kept up, impelled alone by the vigor of the public will—then the separation of its financial interests from the banks entirely was a measure indispensable. That alone could secure to the people, in its administration, those great and important ends in a republican form of Government to which he had alluded, and free it from the extraneous influences which threatened such serious mischief.

Nothing, said Mr. B., was of greater importance to the happiness and prosperity of a people, than stability in the monetary concerns of a country. Could any one hope to see so desirable an object accomplished so long as the Government remained connected with the banks, by whom the circulating medium of the country was almost entirely supplied? Could any one hope to see an end of those wars on the currency, which had been so incessantly waged, for some years past, by the party opposed to the administration, in the hope to convince the people that they had acted unwisely in refusing to agree to the recharter of the national bank? Was it to be expected, if the Government was again reunited to the banks, that party violence and ambition would not again strike at the moneyed affairs of the country, constituting as they did the most sensitive nerve in the body politic, with a view to drive the administration from power? When the national bank was refused a recharter, it became the signal for that attack on the State banks which has been so incessantly kept up ever since. The removal of the public deposites from that institution, furnished another excuse for the same course of hostility, greatly embittered by their having been placed by the Governmant in the State banks. When commercial embarrassments began to thicken over the country, when it was plainly perceived by the keen-eyed sagacity of the managers of the moneyed power that the banks had endangered themselves by excessive issues, then it was that the war was pushed with renewed vigor, in the hope, no doubt, that the blow which would result from the suspension of specie payments would prove decisive of the fate of the administration.

He had noticed some weeks previous to the banks having stopped specie payments, the simultaneous movements of certain presses devoted to the interests of the Bank of the United States, tending to produce that result. They predicted that the banks would stop, and some of them zealously urged them to that course. He did not positively know that it was their design through the instrumentality of a panic, to bring about that result, to which their labors had powerfully tended for so long a time; but the time, the manner, and the circumstances, all went strongly to favor that supposition. The time selected for this movement, when mercantile failures were daily occurring, was of all others the most favorable to produce distrust and alarm in the public mind, as to the solvency of the banks, and, consequently, to cause a general demand on them for specie, by depositors, and those who held their notes. The manner of the attack, by commencing it about the same time at three or four important points, distant from each other, showed it to be, if not a matter of concert, at any rate a singular coincidence. The circumstances under which it was made, were exceedingly well calculated to produce the political effect doubtless ardently desired by those engaged in the crusade against the administration. Very many of our citizens were involved in heavy pecuniary embarrassments, the fruits of the wildest speculation. The States—many of them in the anticipation of receiving their proportion of the surplus revenue—had embarked in expensive plans of improvement; and the whole of the public revenue belonging to the General Government was deposited in the banks, thus liable to be affected. In this state of things, it was no doubt imagined by many of those who are desperately determined on producing a political revolution, that to stop the banks was to pull pown the administration. It was a blow which, by the sufferings it inflicted, was to awaken the slumbering community to the merits of a national bank. It would disappoint the States in their expectations of receiving the surplus revenue. Finally, that it would stop the wheels of Government, and afford the enemies of those in power the opportunity of exultingly pointing to its bankruptcy, and proclaiming the mismanagement of its revenues. He regarded the great body of those in opposition as honest and patriotic citizens, and was far from believing that they were prompted by such motives as he had alluded to; but, at the same time, he felt regret at being compelled to express the belief, forced on him by the circumstances he had described, that there were some to be found among them ready to compass their objects at the expense of the prosperity and best interests of their country.

It would not, he thought, be doubted, on a candid review of the history of the last three or four years, that the connexion between the Government and the banks had invited and been made the cause of the harassing warfare which, to subserve party purposes, had been, in that space of time, almost constantly kept up against the deposite banks, and, consequently, affecting to a great extent the interests and business of the country. The streams of the money circulation never can run clear or smooth while they are liable to be muddied and lashed into impetuous violence by being mingled with political excitement. The country will be perpetually liable to experience inundations at one time in its circulation, and at another to suffer sudden reactions. The true remedy is, then, to remove the cause by severing the connexion between the Government and the banks. By doing this, many of the most powerful motives to produce agitation on this most delicate and sensitive question will be effectually removed.

Another consideration, by no means of secondary importance, in favor of such a step is the expediency, if not absolute necessity, of confining within more moderate bounds the relation of debtor and creditor between the Government and its citizens. While the banks are employed as the depositories of the public revenue they must necessarily loan it out to individuals, to indemnify themselves for the trouble and risk in keeping it, and for the interest which they are bound to pay on it to the Government. The public money thus loaned out by them, though nominally due to the banks, is, in reality, owing to the Govern-

ment. The relation of debtor to it, in this way, becomes ramified throughout every part of the country; a relation which, when it exists to any considerable extent, is dangerous to the existence of the Government which creates it, and destructive of patriotic sentiment in the citizen. It is the firebrand by which faction may inflame public feeling, and by which civil war may be lighted up. If the Government is at any time compelled to demand its money from the banks, when they are pressed, designing politicians would not fail to ascribe the pressure which it might occasion to tyrannical and unworthy motives.

Let us suppose that the Government, at the present time, instead of granting indulgence to the defaulting banks for the large amount of money due it, was to yield to its necessities, and resort to rigid measures to enforce its immediate payment, can any one doubt but that appeals would be made to all the interested and selfish motives of those who are indebted, to array them against those at present in power? We need only refer to the criminal conduct of a certain class of individuals who had threatened resistance to the Government, not long since, because the postages were demanded of them in the legal currency of the United States, when they well knew it would be an open violation of law for officers of the Government to receive any other.

The measure proposed was no innovation on the principles of our Government, but was, in fact, a revival of those practised on in the early days of the republic, under the very extensive powers given the Secretary of the Treasury, by the law first organizing that Department. When but few banks existed at that time, individuals engaged in the collection of the revenue, in many instances, were required to keep and disburse the public moneys when called on by that officer. To him the system of collecting, keeping, and disbursing the public moneys of the Federal Government, through its own officers, was the most obvious and simple that could be devised. Nothing appeared more natural and appropriate than that a Government should execute its own laws, through officers appointed by itself, and accountable to its authority. When the constitution was formed there were but few banks in the United States. Its framers, therefore, must have intended that its finances should be managed by its own officers, otherwise they would have given the power, in that instrument, to Congress, to create a bank corporation for that purpose. As the system now proposed, therefore, was that evidently intended by the framers of the constitution, gentlemen paid them but a poor compliment when they denounced it as fraught with so much danger to the liberties of the people. Of nothing was he more entirely convinced than that its tendency was to lessen greatly Executive patronage, instead of to increase it, as had been so confidently insisted on by those who were opposed to it. It proposed no addition to the number of public officers already existing. It involved an expense of only comparatively trifling amount. Where, then, was the increased patronage so much complained of? That it would greatly diminish the patronage of the Executive branch of the Government, to discontinue the employment of the State banks as its fiscal agents, the speeches of gentlemen in opposition could be cited abundantly to prove.

When the law was, at a former session, under consideration by which they were made the depositories of the public revenue, it was then represented by them as placing the State banks under the control of the Executive, and organizing a moneyed power to be wielded at his will for the destruction of the liberties of the country. Politically hostile to the administration, as he believed much the larger portion of those who managed them were, in reality they brought no strength to the party in power, but were rather a source of weakness. But, to an administration of congenial politics with themselves, they could bring a power and influence dangerous to the liberties of the country. By ceasing to employ them, the Government, in effect, removed the means of its influence from a vast number of persons who were engaged in managing those institutions, and, so far as their fiscal agency was concerned, were to be regarded as its officers.

It was then almost susceptible of positive demonstration that the proposed measure, by greatly reducing the number of those engaged in conducting the fiscal affairs of the Government, to that extent diminished the patronage of the Government.

The president, in recommending a severance of the connexion between the Government and the banks, had assumed an attitude of dignified firmness and moral elevation worthy the character of the Chief Magistrate of the nation. It carried out the doctrine into practice, that simplicity in the administration of a Government founded on the will of the people, while it is the readiest means of perpetuating its principles, is the surest way of securing their esteem and approbation. It voluntarily proposed to relinquish whatever of power and influence might be derived to the Executive branch of the Government from a connexion with moneyed institutions, and, in doing so, would leave it to repose on the wisdom of its policy, and the merits of its measures, for public support.

The objection, said Mr. B., that to carry into effect the measure proposed would be an attack on the banking institutions of the country, and, through them, on the people, was, to his mind, equally unfounded.

Unless it could be proved that the banks were the people, it would, he thought, be difficult to establish this assumption. He knew that the paper system was rapidly gaining a powerful ascendency over public opinion; but it had not yet so entirely usurped their privileges and prerogatives as to make them and the banks convertible terms. What right, he would ask, had the banks to the custody and enjoyment of the public revenue? Was it at all necessary to the maintenance of their proper credit that they should be employed to manage it? The first inquiry was answered by the conduct of the banks in withholding from the Government its means, and thus crippling its operations. To the second, it may very properly be answered, that they, like individuals, should be left to their own intrinsic merits and means to sustain their credit. If they conduct their business on prudent and sound principles of banking, and act with honesty and fairness in their transactions, their credit will be, as a matter of course, established. To that extent they are entitled to credit, and no more. Any other credit beyond that is fictitious, and productive of injurious consequences.

Many of the banks who had been in possession of the Government deposites had, no doubt, been injured by the excesses to which they had been stimulated in consequence of it—excesses proving alike injurious to themselves and those who had borrowed of them. Its tendency was to expand the paper system beyond its proper bounds, by enabling the banks to discount largely on funds not their own; and when called for, as they must of necessity be by Government at short intervals, the frequent consequence would be a pressure on the community by the banks who loaned them, that they might be enabled to meet the Government demand. The effect, then, of using the banks as depositories, in this point of view, is to produce fluctuations in the bank note currency of the country, and to produce those shocks in trade and business so detrimental to both.

An objection, not less specious and unfounded than that which he had just noticed, and which had been used as an argument against the policy of the bill, was, that it attacked what, in his judgment, was erroneously called the credit system. Towards the true credit system of the country none felt more attachment and respect, and a more anxious desire to preserve it, than himself. But, if it was meant that the effect of the measure would be to put an end to that stupendous system of legalized fraud and plunder which,

under every variety of the paper system, had, for some time, preyed on the industry and prosperity of the country, he, for one, would rejoice at such a result. He most sincerely wished to see that system of credit which was the offspring of merit, probity, or wealth, protected to the fullest extent; but not that system which prompts its followers to seek their ends through all the avenues of gambling and fraudulent speculation. It was a system by which the more honest, but less wary, class of society were made victims of the schemes and arts of the more practised and designing.

Among the strong recommendations (continued Mr. B.) in favor of placing the public moneys in the hands of individual depositaries, is the perfect and entire power which it affords to the Government at all times, through its agents, to look into the state of its funds by actual inspection. The bill provides that the Secretary of the Treasury shall cause examinations of the moneys on hand and accounts of each depositary to be made at least once a year, and as much oftener as he may deem necessary; and, for this purpose, authorizes him to appoint special agents. In this way, the Government will always be enabled to know the actual condition of its finances. This power cannot be exercised over the State banks, because they are corporations existing independently of the will of Congress, and, therefore, subject to no mode of investigation by the Secretary of the Treasury other than that afforded by their returns. Nor would the case, in this point of view, be improved if a national bank existed, and was made the depository of the public revenues. The resistance made by the officers of the late bank to a committee appointed by the House of Representatives to examine its condition, shows the power and will of moneyed corporations to evade investigation, even by those from whom they hold their charters.

As to the comparative safety of the two plans, in taking care of the public revenue, as a whole, it was in favor of the system to be conducted by individuals. Some of them might, occasionally, become defaulters; as, in the management of human affairs, under the wisest system, it was impossible to avoid casualties and difficulties. But, under no circumstances, could it be expected a state of things would occur which would deprive the Government of the use of its entire means, as had lately been the case, by the banks having resorted to a suspension of specie payments. In that aspect of the case, then, the question of superior safety was against the banks as depositories of the revenue, and in favor of the plan proposed.

The proposition of the gentleman from South Carolina [Mr. CALHOUN] so to amend the bill as to make the public dues, of every description, after a certain period, payable only in gold or silver coin, or in such notes, bills, or paper, issued under the authority of the United States, as may be directed to be received by law, met his hearty concurrence. The able arguments by which it had already been enforced would occasion him to confine his remarks to a few of the principal benefits which would result to the country from its adoption.

It would, in the first place, free the Federal Government from all the casualties, difficulties, and embarrassments with which its financial action had been so repeatedly oppressed by the receipt of bank paper. It was not only important, in the operations of Gevernment, that it should be able promptly to command its money, but that it should be of a kind universally current, as well in the country as out of it. Money was the great agent which gave to Government its action and efficiency. In proportion as it was good, was the energy and success of its operations in periods of emergency. In proportion as it was debased, was its action weakened, and its success jeopardized.

Much of the success of a Government depended on its practising the principles of justice in its transactions with its citizens, by which it inspired sentiments of respect, and strengthened it in their affections. Disbursing, as it did, annually large sums of money in the public expenditures made throughout the country, it could not fail to lessen those sentiments of respect and attachment by making its payments in a currency of less value than that recognised by its constitution, because, in doing so, it would violate the principles of justice which itself had established.

Again: its tendency would be, if aided by the passage of another bill then on the table, proposing to abolish credits in the payment of all the public dues, and substitute cash payments in their stead, to check that spirit of overtrading and excessive importation which had prevailed to such an extent among our merchants engaged in foreign trade. From it, evils of the greatest magnitude had arisen to the currency of the country, as well as to our trade and commerce at home and abroad. The great facilities afforded by the banks in obtaining loans would powerfully stimulate our merchants to over trade, so long as bank notes were made receivable by our laws in payment of the customs. The effect of this measure, then, would be to reduce the imports from abroad nearer to the standard of our exports, and remove the evil effects on the business and currency of the country, always the consequence of overtrading. In doing this, the receipts of the Government would be lessened and brought down to a point making it incumbent on it to practise economy in its expenditures.

Another effect, of not less public utility, which would result from it, in his opinion, as auxiliary to the benefit of placing the public money in the hands of individual depositories, was the suppression, to a great extent, of that system of fraud and speculation in the public lands which was so much and so justly complained of throughout the country. The specie circular had proved inadequate to effect this object, though it had, no doubt, contributed to lessen the evil. The specie paid into the hands of the receivers for the purchase of public lands was, under the late system, deposited in the banks, and by them again loaned out to land speculators, by whom it was again paid to the receivers, and again deposited in the banks—the same identical specie thus performing a perpetual round, and employed in that way to effect numerous purchases in the public lands. If bank notes are again made receivable in the public dues, the facility of obtaining them, by loans from the banks, will revive the spirit of speculation in the public lands, and the public domain will soon pass almost entirely into the hands of speculators. By requiring payment in gold and silver, and placing it in the hands of individual depositaries when collected, it effectually cuts off the means of conducting these operations: first, because the banks will not loan their specie to speculators, when they know it will not be returned to them again in the shape of Government deposites; secondly, when paid into the hands of individual depositaries, it cannot be used in loans to speculators without incurring very severe penalties, but will return to circulation among the public only in the form of Government disbursements.

If the observation that the adoption of this principle would furnish "one currency for the Government, and another, of inferior value, for the people," was intended for argument, certainly none was more shallow and easily refuted. If it was intended as a mere attempt at popular delusion, then he would say none was more easily detected. To whom, he would ask, did the Government belong, for whom this money was to be collected? Why, to the people. To whom did the money belong, thus collected? To the people. For whose benefit was it to be expended? Certainly for their benefit. Nothing could be of such great public utility as the steady and regular administration of the Government, for which purpose it was to be used.

If carried into practice, it was destined, as he believed, to perform an eminently beneficial public purpose. It

would raise the Federal Government above the influence of bank corporations, and place it on its own proper energies, to discharge the great and important trusts confided to it. It would bring into circulation, necessarily, more of the precious metals, and in that way form a mixed currency, now almost exclusively composed of paper. The liberties and prosperity of the country were now almost sinking beneath the effects and abuses of the paper system. The Federal Government was the only power competent to redeem it from that situation. It was bound, constitutionally, to exert its power to restore, as far as it could, the only kind of currency it was authorized to establish.

That it would prove of great advantage to the country he could not doubt; not only to the people themselves, by being the means of diffusing a more extensive metallic currency, but to the banks, likewise, by affording them, in its wider circulation, a fund to recruit from in times of exigency. In short, that which was denounced as a measure destructive to the banks, and to the interests of the people, was a measure, in his estimation, eminently calculated to benefit both.

Mr. B., in conclusion, said it was now very apparent that the decision of Congress would be ultimately narrowed down to a choice between the plan of fiscal agency then proposed, and the establishment of a national bank. The State banks had, on a fair trial, proved themselves incapable of fulfilling the duties of such a trust, and if again resorted to, would, in all probability, sooner or later, present a repetition of the difficulties in which they had recently involved the Government and the country. To the creation of a national bank, in any form, he had objections of an insuperable character. The argument made by gentlemen who had preceded him in debate, against its constitutionality, was unanswered and unanswerable. The objections to it, as a measure of expediency, were equally strong and decisive. The remedy which it would afford would be worse than the disease, which its friends professed its capacity to relieve. Besides its tendency to produce pecuniary distress for some time before it could go into operation, if established under the pressure of the present pretended necessity, it would be fixed on the country, notwithstanding any abuses it might commit, for ages to come. The argument would be constantly and readily used by its advocates, that it must be continued, or the prosperity of the country ruined.

Its success would bring into power, as a necessary consequence, the political party who have supported such a system with such zeal and perseverance in all its fortunes. With such an institution, devoted, as it would be, to the party that placed it in ascendency, the Government would become stronger than the people, and their will would be superseded. It would be hailed as a triumph by the friends of the moneyed power in America and Europe, over that spirit of liberty and independence now existing in the republic.

When Mr. Brown had concluded,

The Senate, by general consent, laid aside this bill, and proceeded to the consideration of the amendment of the House of Representatives to the

DEPOSITE POSTPONEMENT BILL.

The amendment of the House limits the operation of the bill to January 1st, 1839; that is, postpones the payment of the instalment to that period instead of indefinitely.

Mr. WRIGHT said the amendment had been informally examined by the Committee on Finance, and they had recommended that the Senate unanimously agree to it.

Mr. TIPTON said that he was opposed to the bill as it passed the Senate, and could not suffer it to pass as amended by the House of Representatives without his dissent. He considered this Government pledged by every principle of honor and justice to make the deposites in strict conformity to the deposite act of 23d June, 1836; the States had a right to expect it, and in most instances had made appropriations of the money. The State from which he came had appropriated the three instalments heretofore received, and had created expectations for the appropriation of the fourth, and would be greatly disappointed should Congress postpone or withhold it, as proposed by the bill as returned from the House.

The deposite act of 1836 made it the duty of the Secretary of the Treasury to ascertain and state the amount that would be deposited with each State on the 1st of January, 1837. He had done so, and had paid three instalments; and would Congress now step in and say to the States, we expected to be able to deposite the sum stated by the Secretary of the Treasury, but we were mistaken; times have changed, you must do without it; the Government will be embarrassed if we give you the money. Mr. T. considered it a relief measure to make the deposite in good faith. This Government could not make a more deadly stab at the interest of the State from which he came. The Western banks had large amounts of public money deposited in their vaults, and if we permitted the deposites to be faithfully made, the banks would transfer their public money to the States, it would remain and enter into circulation amongst the Western people; the Legislature could indulge the banks, and the banks could indulge their debtors, thereby making it a permanent relief measure. But if we withhold the fourth instalment, (said Mr. T.,) and force the silver from the Western banks into the Treasury of the United States, the consequences will be, that you will cripple the new States, check the internal improvements now going successfully on, and distress all classes of our people.

Mr. T. said this bill passed the Senate some days ago, soon after he reached the city, and while the state of his health forbade his expressing the strong objections he entertained to the bill. He now took occasion to say that the effects of this measure would be most ruinous to the interest of the people and the State he had in part the honor to represent here. Mr. T. concluded by calling for the yeas and nays, which were ordered; and

The question being put, the Senate concurred in the amendment of the House by the following vote:

Yeas—Messrs. Allen, Bayard, Benton, Black, Brown, Buchanan, Calhoun, Clayton, Fulton, Grundy, King of Alabama, King of Georgia, Linn, Lyon, Morris, Nicholas, Niles, Norvell, Prentiss, Roane, Robinson, Smith of Connecticut, Strange, Swift, Walker, Wall, White, Williams, Wright, Young—30.

Nays—Messrs. Pierce, Tipton—2.

RENEWAL OF REVENUE BONDS.

Mr. GRUNDY, from the Committee on the Judiciary, to whom the subject had been referred, reported a bill to regulate the fees of District Attorneys for the renewal of custom house bonds. Read, and ordered to a second reading.

This bill fixes the fees at five dollars for each renewal.

On motion of Mr. BAYARD,

The Senate adjourned.

Monday, October 2.

Mr. GRUNDY expressed a desire to call up the bill reported by him on Saturday last, (and ordered to a second reading,) in relation to regulating the fees of the District Attorneys in cases of renewal of merchants' bonds. He was the more desirous that it should be taken up to-day, because, if the House of Representatives adopted the joint resolution for adjournment on the 9th instant, there would not be an opportunity of passing it this session, and it was a measure greatly needed.

The bill not having been printed, the second reading was

delayed, and the Senate passed to the order of the day, viz: the bill imposing additional duties on public officers as depositories in certain cases.

SUB-TREASURY BILL.

The sub-Treasury bill being resumed,

Mr. PRESTON gave notice that, when in order, it was his intention to move an amendment to the bill pending before the Senate, making the State banks special depositories of the accruing revenues of the Government. It was his intention to offer such an amendment, whatever might be the result of the vote on the amendment of his colleague, [Mr. CALHOUN.]

Mr. BAYARD, of Delaware, then rose, and addressed Senate as follows:

Mr. President: No one can be more deeply impressed with a sense of the importance of the subject now under consideration than myself, considering as I do, that it involves in its consequences the welfare of the whole community. In the course of the debate which has taken place, many collateral matters have been introduced, which have diverted the attention of the Senate from the real question, to which I wish again to draw its attention.

The bill now before us proposes three measures: the first of which is, to dissolve all connexion with the banks: secondly, to substitute the agency of certain officers, thirteen or fourteen thousand in number, for that of the banks in keeping the revenues of the Government; and, thirdly, to receive, after a certain period, nothing but gold and silver coin in payment of Government dues. The objects which are said to be contemplated as the results of these measures are, first, to secure the Government against loss in the keeping of its treasure; and, secondly, to provide a currency of gold and silver coin, which is declared to be the constitutional currency. The measures themselves have nothing to recommend them beyond their supposed tendency to accomplish these objects. Before proceeding, however, to the discussion of these matters, it is necessary to have a just and precise conception of the objects, the accomplishment of which is said to be contemplated.

The first, which respects the fact of security against loss in keeping the public treasure, is easily understood; but the other, and favorite object, of providing a currency of gold and silver coin, requires some explanation. It has been supposed, sir, and I confess I entertained the same opinion, that some of those who advocate these measures were bent on procuring a purely metallic currency for the country, to the exclusion of all paper; while others were aiming only at a larger infusion of the precious metals into the circulating medium, being perfectly satisfied that a considerable part of it should still consist of convertible paper. I am convinced, however, from a closer attention to what has heretofore passed on this subject, that the views of all of us are directed merely to the enlargement of the metallic portion of the currency, by changing the ratio of the mixture of paper and coin, as it existed before the suspension of specie payments. The case is not, therefore, rightly presented by the Senator from Missouri, [Mr. BENTON,] when he states it to be a contest between opposite systems of paper and coin; but, in fact, whatever difference of opinion exists in relation to the currency is merely as to the relative proportions in which paper and coin should compose it.

No one, at least to my knowledge, Mr. President, has professed to countenance, much less to recommend, an inconvertible paper medium, except indeed, the Senator from South Carolina, [Mr. CALHOUN,] who seems to think that a Government paper is the only safe one. I shall proceed, therefore, to show what are the different views entertained on this subject, and the probable effect which the different propositions heretofore made for the suppression of notes of a low denomination would have upon the currency. The Senator from Missouri, [Mr. BENTON,] who has taken the lead upon this subject of metallic currency, may very fairly be taken as the exponent of the views of those who are most partial to the precious metals. His proposition is to suppress all notes under one hundred dollars, as appears from the speech delivered by him on the 27th January, 1837, on the resolution to rescind the Treasury order, in which he cites his spech on the subject of the District banks in the preceding session, as containing his views on the subject. The following is an extract from that speech:

"Mr. Benton said that the proposed limit of twenty dollars for the minimum size of bank notes was not an arbitrary assumption or a fanciful designation; but was a limit ascertained by experience and proven by results to be the lowest that would suffice to accomplish the ends intended: these ends are, 1st. To re-establish the gold currency. 2d. To make gold and silver the common currency for all the small dealing of the country. 3d. To extend and enlarge the specie basis of the paper circulation. 4th. To save the laboring and small dealing part of the community from the effects of contractions and expansions from bank issues. 5th. To save them from the impositions of counterfeiters, from losses when banks fail, and from bearing the whole burden of the wear and tear of small notes. 6th. To save hard money enough in the country to make it safe to have such paper currency as commerce and large dealings may require. These are the objects to be accomplished, and less than $20 will have no adequate effect. Far better would the limit be of $100, as it is nearly in France, and where that limit ensures a circulation of nine-tenths gold and silver and one tenth paper."

It thus appears, Mr. President, that the most zealous advocates of a hard-money currency do not contend for the entire expulsion of paper, but desire a larger infusion of precious metals into the circulating medium. We are all agreed as to the odious and unconstitutional character of a mere paper currency, for a mixed currency of coin and convertible paper cannot be denominated a paper currency. The different views, then, which are entertained as to the ratio of this mixture of paper and coin in the circulating medium, may be reduced to three classes: first, of those who, with the Senator from Missouri, [Mr. BENTON,] are in favor of a suppression of all bank notes under $100; secondly, of those who, with the Senator from Virginia, [Mr. RIVES,] are in favor of a suppression of all notes under $20; and, thirdly, of those who are of opinion that the suppression of all notes under $10 will be sufficient to ensure a due proportion of coin in the circulation. Before proceeding to my argument, I think it important to the perfect comprehension of the matter, that we should first settle, as nearly as practicable, the effect which would be produced upon the actual currency of the country by the adoption of either of the above suggestions. Fortunately, sir, we are not without the means of doing so. The report of the Secretary of the Treasury upon the condition of the State banks, made at the last session of Congress, in that part of it which relates to the banks in the State of New York, furnishes some data for that purpose. I take the instance of the New York currency, because it is the only one, the component parts of which are stated, and I presume that those facts which are found to be true in relation to the paper part of that currency, will be found to be nearly so in relation to the paper part of the currency of the whole country, although it is very probable that a difference, more or less considerable, may be found to exist in the currency of some particular States. But, so far as my argument is concerned, it is of no consequence whether the statement be precisely accurate or not; the object being to give some definite idea of the practical effect of those views. In that report the entire paper currency, on the 1st of January, 1836, of the State of New York, is stated to

be $21,123,089, which, with the sum of $4,000,000, the probable amount of coin in circulation, would make the entire currency of paper and coin about $25,000,000. It appears from that report, that the whole number of bank notes in circulation of the denomination of $100 and upwards, amounted to $5,230,200, which is about one-fifth of the whole currency; that the whole number of notes in circulation of the denomination of $20 and upwards, amounted to the sum of nearly $8,000,000, or about one-third of the whole currency; and that the whole number of notes in circulation of the denomination of $10 and upwards, amounted to the sum of $12,265,765, or about one-half of the entire currency. It will follow, then, that to suppress all notes under $100 would give four parts of coin, and one of paper, of the whole currency; while the suppression of all notes under $20 would give two parts of coin and one of paper, and the suppression of all notes under $10 would give a currency one-half of coin, and the other of paper.

It is of no consequence to my argument whether these ratios be exactly correct: it is sufficient if they be an approximation to the truth. Let us then apply them to the whole currency of the United States, and observe the result.

The Secretary of the Treasury, in his annual report on the state of the finances, made at the commencement of the last session of Congress, estimated the entire currency of the United States on the 1st of December, 1836, to be $148,000,000, of which $120,000,000 were paper, and $28,000,000 coin. As it is necessary to take some specific amount for the purpose of calculation, we will take that to be the actual amount of the entire currency of the country. The effect upon that currency, of the proposition to suppress all notes under $100, would, from the analogy of the New York currency, be, to give us $118,400,000 of coin, and $29,600,000 of paper, as the relative proportions. The proposition to suppress all notes under $20 would give nearly $99,000,000 of coin, and $49,000,000 of paper; while that to suppress all notes under $10 would give $74,000,000 of coin, and $74,000,000 of paper. This view of the matter is entirely distinct from the question of how much coin it is proper for the banks to keep in their vaults as the basis of their paper circulation; and which experience would seem to indicate to be about one-third.

Now, sir, I propose to show that, whether the object be to increase the ratio of the mixture of coin in the whole circulation as it existed on the 1st of December last, or to provide an exclusive metallic currency, the measures now proposed by the bill before us will not only not promote that object, but defeat it altogether. To do this, it is only necessary to advert to a few simple principles, which are established laws of currency. The purpose of a currency being to effect the aggregate payments of the nation, a given amount in value, less than the amount of those payments, but having a proportionate relation to them, is necessary for that purpose. It is also true that gold and silver are the standards of value over the whole world, and are, at the same time, objects of commerce and materials of currency. From these facts results a law of mixed currency, that paper will expel the coin unless it be restrained in its numerical amount and denomination. Of this fact abundant evidence may be found in the history of every civilized nation. But, sir, I will not trouble the Senate by referring to the elementary writers as authorities upon that point. I shall content myself with authorities nearer home. I mean to forage in the enemy's country; and I will cite one, which I presume will be satisfactory, not only to the Senator from Missouri, [Mr. Benton,] but to those also who are most zealous on the subject of the gold and silver coin, being no other than the speech of that Senator upon the District banks, delivered in the session of 1835–'6, to which I have before referred, and from which I now read the following extract:

"The great evils of a small paper currency are: 1. To banish gold and silver; 2. To encourage counterfeiting; 3. To destroy the standard of values; 4. To throw the burdens and the evils of the paper system upon the laboring and small dealing part of the community. The instinct of banks to sink their circulation to the lowest denomination of notes which can be forced upon the community is a trait in the system universally proved to exist wherever banks of circulation have been permitted to give a currency to a country, and the effect of that instinct has always been to banish gold and silver. When the Bank of England was chartered, in the year 1694, it could issue no note less than £100 sterling; that amount was gradually reduced by the persevering efforts of the bank to £50; then to £20; then to £15; then to £10; and at last to £5; and, finally, to £2 and £1. Those denominations were not reached until the year 1797, or until one hundred and three years after the institution of the bank; and, as the several reductions in the size of the notes, and the consequent increase of paper currency took place, gold became more and more scarce, and, with the issue of £1 and £2 notes, it totally disappeared from the country. This effect was foretold by all political economists, and especially by Mr. Burke, then aged and retired from public life, who wrote from his retreat to Mr. Canning, to say to Mr. Pitt, the Prime Minister, these prophetic words: 'If this bill for the £1 and £2 notes is permitted to pass we shall never see another guinea in England.' The bill did pass, and the prediction was fulfilled; for not another guinea, half guinea, or sovereign was seen in England for circulation until the bill was repealed two-and-twenty years afterwards."

The report of the New York bank commissioners, made on the 23d of January, 1836, is to the same effect, showing that the practical experience of our own country corresponds with that of England. The commissioners say:

"The measures adopted at the last session of the Legislature for the suppression of the small bank notes have, so far as they have yet gone into operation, occasioned as little inconvenience as was to have been expected. The effects of the change were not sensibly felt until about the 1st of September, and, since that time, a large amount of specie has been put into circulation, which will be very much increased after the issues of the three dollar notes shall have ceased. Our Canadian neighbors, however, circulate a very large amount of small bank notes, which are taken as freely on the adjoining frontier of this State as our own notes or specie. In a considerable portion of St. Lawrence county, where the intercourse of the inhabitants is chiefly with Canada, the law is entirely disregarded. It is more or less so in the counties bordering upon Vermont, in the extreme western counties, and in the city of New York. It will be found impossible, we apprehend, to enforce the law effectually so long as the small notes are issued by the banks of the adjoining States."

There can, therefore, I think, sir, be no doubt upon this point, that it is the inflexible law of a mixed currency of paper and coin, that the cheaper material supplants the more costly one, and that the only mode by which you can secure a proper admixture of coin is by the suppression of the small notes. I am thus particular as to this practical truth, because upon it is based the whole structure of my argument. I have before stated that the whole currency of the country is assumed to be what it was on the 1st of December last, as appears from the Secretary's report, $148,000,000, of which $28,000,000 was coin and $120,000,000 bank notes. The Government furnishes the coin—the banks furnish the paper part of the currency. We are all agreed that, to constitute a sound currency, there should be a larger admixture of the precious metals. Those who are in favor of the suppression of notes under $10 wish, as I have shown, to raise the amount of coin in circulation from $28,000,000 to $74,000,000; those in

favor of the suppression of notes under $20, to raise the amount of coin to $99,000,000; and the Senator from Missouri, and those who think with him that all notes under $100 should be suppressed, wish to raise that amount to $118,000,000. And yet, sir, what means do they now propose to take in order to accomplish this purpose? Why, sir, to separate the Government from the banks! To divorce the Government from the banks! To leave the banks to themselves! The Senator says they have fallen into the sea, and he will not assist to angle them out! And this, too, after we have been told by the Senator himself, and the proposition is undoubtedly true, "that the instinct of banks to sink their circulation to the lowest denomination of notes which can be forced upon the community, is a trait in the system—and the effect of that instinct has always been to banish gold and silver." No, sir, you cannot leave the banks to themselves; you cannot divorce the Government from them! You must watch over and regulate them, if you mean to accomplish the object which you profess to have in view, namely, the improvement of the currency.

But it is said that, by requiring payments to the Government to be make in coin, you will compel its circulation. Well, sir, to what extent do you compel that circulation? To the extent only of the amount that is absolutely necessary to effect those payments. The President tells us in his message that the amount of coin which would be necessary for that purpose is about $10,000,000. Then, I say, in the event of the non-resumption of specie payments by the banks, your currency would consist of $138,000,000 of paper, and, what is worse, of inconvertible paper, without a limit to its extension; and of $10,000,000 of coin, and that coin would be confined to the channel of Government receipts and Government payments. The currency would submit to the force you put upon it, just to the extent of that force, and no further. Your action would resemble in its effect a proviso to a general law, which is a restraint only to the extent of the proviso; and your coin would circulate only in the channel which you had dug out for it. If, on the other hand, the banks should resume specie payments, and the currency should be again composed, as it was on the first of December last, of $28,000,000 of coin and $120,000,000 of paper, then, I say, sir, that, as there would be specie, more than enough, in circulation to answer the payments of the Government, the measure of demanding payment in coin would have no tendency whatever to increase the amount. The reason of all this is apparent, and is to be found in the fact which I have stated, that paper will banish coin from circulation unless restrained, and will always do so up to the point of that restraint.

But it is not necessary to resort to any speculative reasoning in proof of these positions. You have now, sir, in the present state of things, the most positive proof of their truth. Does not the Government at this moment demand payment of its dues, of its duties, its postages, and its sales of public lands, in coin? And yet does that coin enter into the general circulation? Is it not confided entirely to Government debtors and Government creditors, to those who consume the revenues and those who pay them? I say, then, sir, that the result of your measure is this, and this only, to secure coin as the currency for the Government, and leave paper as the currency of the people. It is no unusual thing, Mr. President, to see those at the head of the Government profess one thing and do another.

I come now to the consideration of my second proposition, which is, that Congress is bound to furnish a sound currency of coin and convertible paper for the people of the United States. To any one read in the history of this country, and in the text of the constitution, it would seem strange that it would be deemed necessary to formally propound such a proposition, much more so to prove it. But the peculiar tone of the message, and the doctrines of some of the supporters of the administration on this floor, would lead one to suppose that the constitution had been formed, and the Government created, for no other purpose than to take care of itself. Is it then true, sir, that this Government was created, merely that Martin Van Buren might be President, and enjoy the dignity and emoluments of his office; that you, sir, should be Vice President, and we Senators of the United States, with the privilege of franking our letters and receiving a per diem of eight dollars in gold and silver? Was that the end and purpose of all the anxious deliberation of that band of patriots who assembled in Philadelphia to form the constitution, and of the cession, in that instrument, on the part of the States, of almost all the high attributes of sovereignty? I had hitherto thought the object had been "to promote the general welfare of the people of the United States." I was taught to think that the powers of this Government were trusts for the benefit of the people, and that the end and object of the constitution was to promote their welfare. It seems, however, sir, that those who administer the Government read that instrument differently, and have come to the enlightened, profound, liberal, and statesman-like conclusion, that the Government was created merely for their benefit, and that the people have no part or lot in the field of its operations. Let us, then, examine for a moment the soundness of this opinion, so far at least as the currency is concerned, that being the matter immediately under consideration.

Every one familiar with the history of the revolutionary war, knows that we came out of that conflict with a ruined commerce and a debased currency of inconvertible paper; that the States refused to confer on the old Congress the power to levy duties on imports, and were unable to enjoy the benefit of that indirect mode of taxation themselves. That if New York, for instance, sought to raise a revenue from her commerce, New Jersey interfered and defeated her plans by throwing open her ports. That, in the same manner, the commercial regulations of Pennsylvania were at the mercy of the State of Delaware, and were, in fact, frustrated by the legislation of that State; and so of the other States. In the hopeless imbecility of commercial enterprise which grew out of this condition of things, the people saw the necessity of a General Government, which should have the power to regulate commerce, and provide a uniform and sound currency for the country. The main and immediate inducement for the formation of the present form of Government was the desire to escape from these distresses and embarrassments which, from their all-pervading character, could only be cured by a National Government. Hence we find that the express power is given in the constitution to regulate commerce, as well as the express power to regulate the standards of value and quantity, which are the legs of commerce.

I shall not, sir, after the luminous and powerful argument of the Senator from Massachusetts, [Mr. WEBSTER,] upon this power to regulate commerce, attempt to say any thing in illustration or support of it. I would not be chargeable with attempting "the wasteful and ridiculous excess of adding perfume to the rose, or gilding refined gold," but will content myself with remarking, that one might fairly conclude that as commerce in modern times is no longer carried on by barter, but is conducted, in its minuter details, by means of money; and, in its larger operations, by the commercial currency of bills of exchange and promissory notes, the power to regulate commerce, gives the right to regulate the means by which it is conducted. I proceed, therefore, to consider other provisions of the constitution. My proposition is, that Congress is bound to furnish a sound currency of coin and convertible paper for the people of the United States. I say of coin and convertible paper, for I consider the latter as equivalent to coin in the matter of currency. If, therefore, any

one should be of opinion that Congress is bound to furnish an entire metallic currency, that opinion does not weaken the strength of my argument, the views which I am about to present being applicable to both positions.

In the first place, the power is given to Congress "to coin money." For what purpose is money to be coined? Not that it may be melted down, and manufactured into plate; not that it may be exported, and pass into foreign mints, to assume some other form, or receive some other impression; nor that it may be hoarded as a matter of curiosity or avarice; but that it may be used for the purpose for which coined money is used, namely, the currency or circulating medium of the country. I say of the country, because, as the power is a trust for the general welfare, its execution must have reference to the end of its existence. In the second place, Congress is authorized to punish the offence "of counterfeiting the current coin of the United States." In the third place, the States are prohibited from coining money. And, in the fourth place, nothing "but gold and silver coin" can be made a tender in payment of debts. As the great business of currency is to pay debts, and Congress has the exclusive power of furnishing the coin, in which alone those debts can be legally paid, it follows that it is their constutional duty to furnish such currency of coin, or what is equivalent, of convertible paper; for, if they do not furnish it, no other power can; and the whole business of society must be suspended. The purpose of currency is to make the aggregate payments of the country, and its amount in value has reference to the amount of those payments; at the same time, every payment presupposes an antecedent debt, though it exists but for a moment, and it is Congress alone that can furnish the legal means of making those payments.

What, then, sir, is the consequence of the existence of this power and this constitutional duty as regards the existing condition of the currency of this country, composed, as it is assumed to be, of coin furnished by the Government, and paper furnished by the banks? What, I ask, is the consequence of the existence of that duty on the part of this Government? Why, sir, clearly, the obligation so to regulate the issues of paper by the banks as to ensure its convertibility at all times into coin, and thus to provide a sound currency of coin and convertible paper for the people. If it be the duty of Congress to furnish either a metallic currency, or a mixed currency of coin and convertible paper, which is equivalent to a metallic currency for the purpose of business, then it is bound to guard against whatever may tend to defeat the performance of its duty; and I have already shown that it is the tendency of banks to extend their issues of paper, which has the effect of banishing the coin from circulation. If Congress does not regulate the issues of bank paper, then the banks control the power of Congress over the currency, and involve it in the violation of a constitutional duty. You cannot, then, abandon the banks to themselves without being recreant to that duty. You must watch over them, and regulate their issues of paper, or else they defeat one of the great purposes for which this Government was created. As matters stand at present, you are bound to cause them to return to specie payments, and afterwards by your parental care to guard against another suspension. This duty I have expressed in the phrase "to provide a sound currency," that is, a currency free from the danger of degenerating into inconvertible paper. As to the question of the proportion of the precious metals, which may be necessary to ensure that result, some difference of opinion may and does exist. I have already explained the different views entertained on that subject; but all are agreed that for that purpose there should be a larger infusion of coin into the circulation than existed at the time of the suspension of specie payments.

Then, sir, I ask if you must watch over the State banks and regulate their issues of paper, why not use them as fiscal agents? The Senator from Virginia [Mr. Rives] proposes to do so. I shall vote, Mr. President, for his amendment, though I am free to say I do not think it the best that could be offered.

It is generally conceded that the currency, whatever it is, should be of uniform value, since the constitution provides that all taxes and duties shall be uniform, which could not be the case if that in which they are paid is not of uniform value. The plan of the Senator from Virginia [Mr. Rives] is defective in two particulars: First, that it does not secure uniformity of value to the paper part of the currency, from the fact of its not being able to command general confidence; and, secondly, that it does not control the issues of paper from all the banks. It attempts to persuade by insufficient inducements, instead of compelling the deposite banks to limit their issues of paper money by suppressing all notes under a certain denomination. But its radical defect is, that its operation is confined to the deposite banks, instead of reaching all the banks of the country. For, sir, I have already shown from the report of the New York bank commissioners, that the measure of suppressing the small notes with a view to the improvement of the currency, will always be ineffectual, unless it be general. That if any banks are suffered to issue small notes, they will circulate and exclude the coin, notwithstanding other banks may be prohibited from doing so. To perfect this plan, a bank of the United States is indispensable to give that uniformity of value to the paper part of the currency which can result alone from general confidence, and is proper as the milder means of regulating the issues of bank paper.

From what has been said, it is apparent that it is the constitutional duty of Congress to regulate the issues of bank notes, which can only be done in one of two ways, either by means of a bank of the United States, or by means of a stamp duty on the notes. As to a bank of the United States, it is out of the question at this time; and I am free to say, sir, that I consider it altogether inexpedient, in a political point of view. For I hold it to be extremely unwise in a Government constituted like ours to attempt to force public opinion. No system can be successfully administered which is repugnant to the public will; and it is sufficient for me, in this instance, that there is strong reason to believe that the majority of the people are opposed to a national bank. I have no constitutional scruples on the subject; on the contrary, I believe that it is necessary and proper as a fiscal agent of the Government, and the most gentle and effectual means of furnishing a sound and uniform currency to the country, composed, as I have before stated, of coin and convertible paper. But, sir, I will not consent to vote for such an institution, until I am satisfied that it is not repugnant to the wishes and feelings of the majority of the people. There is no other mode of suppressing the small notes, in the absence of a bank of the United States—I mean, of course, by the action, direct or indirect, of this Government—than a resort to the taxing power, by imposing a stamp duty on them. To this there cannot, I presume, be any constitutional objection, as it is an express power, justified in its use by the great object of promoting the general welfare, but in this instance used to sustain and enforce another express power and high constitutional duty, of supplying the country with a sound currency of coin or its equivalent.

In advocating the now favorite measure of the Government, its supporters, who were lately such zealous friends of the State banks, lauding them for their fidelity, and magnifying and blazoning the extent of their services, have now become their bitter adversaries, vilifying them with opprobrious epithets, and denouncing them in the most harsh and unmeasured terms. Why this hostility to their

recent friends? In his last message to Congress, in December, 1836, President Jackson uses this language:

"Experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents for the Government, at the time of the removal of the deposites."

After stating the amount of transfers made by the banks for the Government, he proceeds to say:

"These enormous amounts of money first mentioned have been transferred with the greatest promptitude and regularity, and the rates at which the exchanges have been negotiated, previously to the passage of the deposite law, were generally below those charged by the bank of the United States. Independently of these services, which are far greater than those rendered by the United States Bank and its twenty-five branches, a number of the deposite banks have, with a commendable zeal to aid in the improvement of the currency, imported from abroad, at their own expense, large sums of the precious metals for coinage and circulation."

Mr. Secretary Woodbury, in his report at the same session, speaking of the deposite banks, says:

"It is a source of high satisfaction to be able to add, that while so selected and employed, not a single dollar was lost to the Government by any of them, nor a single failure occurred to transfer promptly and pay out satisfactorily the public money entrusted to their custody. Nor is it believed that the domestic exchanges of the country were ever lower or more regular than during that period."

What is principally wanting in every young country is capital, by which alone its resources can be fully developed; and the want of which, for a long time, caused the subjugation of the infant manufactures of this country by those of Great Britain. It was its vast capital, manufacturing and commercial, which enabled Great Britain to contend, single-handed and successfully, against the gigantic power of Napoleon, whose wild and lawless ambition sought to place its yoke on the neck of the civilized world; whose imperial standard was planted amid the orange groves of the South and the snows of the North, and whose cormorant appetite for dominion would have gorged not only provinces and kingdoms, but whole continents. It was to the indomitable spirit and vast resources of that great and magnanimous nation that the continent of Europe was indebted for its emancipation from the thraldrom of universal monarchy; and it is to its all-pervading capital and industry that Great Britain is now indebted for its control over the commercial exchanges of the world.

These banks, which are now so much abused, have supplied, to an immense extent, the want of capital in this country, and at this moment furnish, for the employment of its industry and development of its resources, more than $200,000,000. The actual capital paid in, according to the report of the Secretary of the Treasury on the state of the banks, was, on the 1st of January, 1836, $251,857,292, while their loans and discounts amounted to $457,506,080. Making, for all the purposes of business, an effective increase of capital to the extent of the difference between those amounts, namely, $205,648,788. This immense sum, at an average commercial profit of ten per cent. would yield to the country an annual income of more than $20,000,000.

The deposite banks themselves, which are denounced as having been guilty of the grossest treachery towards the Government, have done wonders. According to the report of the Secretary of the Treasury, presented at this session, they have, in the space of five and a half months, between the 1st of March and 15th of August, collected from their debtors the sum of $40,689,862; and in the same time paid off $26,792,006 of public deposites; while their immediate liabilities do not bear to their immediate means a much larger ratio than two and a quarter to one, leaving the entire debt due to the from them community for loans and discounts as a security for the difference.

Banks, Mr. President, are not the authors of commercial distress, although it is true they may, and often do, feed that appetite for speculation which leads to it. Nor, sir, is commercial distress ordinarily connected with the quantity or nature of the currency of the country; it results from the want of capital for the time being, not from the redundancy or from the want of currency, much less from the nature of that currency, whether metallic or mixed. It occurs in all countries, with every description of currency, paper, metallic, and mixed. It is the result of that love of gain which stimulates the enterprise of the merchant, and broods over the projects of the speculator; which leads the one to search in foreign climes for those subjects of commerce which are to be distributed for consumption, and causes the other to dam up the streams of supply with a view to the augmented profits of an unsatisfied demand, which prevails most where there is most freedom of thought and action, and which ends in those commercial orgasms which, with periodical occurrence, prostrate for a time all commercial energy, by impairing all commercial confidence.

The President, in his late message, with a sort of twilight perception of the truth, speaks at one moment of the redundancy of credit, and at another of the redundancy of circulation, as the cause of the present commercial embarrassments. There can be no redundancy of circulation where the paper of a mixed currency is convertible. If the paper is not wanted for the purpose of currency it is returned to the banks. That the fact is so, the elementary principles of the science of political economy would teach us; but we have daily and abundant evidence of its truth in the bank reports. Thus we find by the reports of the Secretary of the Treasury, at the last session, upon the state of the finances, that while, on the 1st day of January, 1836, the gross amount of notes issued by the banks was $140,000,000, the amount in circulation was only $108,000,000; making a difference of $32,000,000, which had been returned to them, and remained in their hands. Here I might advert to that inaccuracy in matters of fact which prevails in the President's message, and which has been so fully and ably exposed by the Senator from Georgia, [Mr. KING,] in other particulars, and which is manifested likewise in relation to this very matter of the currency. The message states the amount of paper circulation to have been $140,000,000 on the 1st of January, 1836, when, in truth, that was the amount of notes issued, but of which $32,000,000 had been withdrawn from circulation. The error is the more inexcusable because the Secretary of the Treasury, in his last annual report on the finances, made at the former session, in that part of it which treats of the mint and currency, explicitly states the fact, and distinguishes between the gross amount of notes issued and the actual circulation. The present commercial distress, the first symptoms of which were exhibited in New Orleans, in the failure of several commercial houses there for an immense amount, owes its existence, without doubt, to the wild spirit of speculation which was prevailing throughout the country, and to the employment of the banking capital of the country in enterprises which were not of a commercial character, but, being in their nature permanent investments, were, in effect, dead loans, and therefore hostile to the interest and purposes of banking. The case of the planters of Mississippi is a complete illustration of the whole subject. They were in the habit of receiving, on loan, large sums of money, with which they purchased lands and negroes, and pledged their crops for the gradual repayment. This was done by drawing bills of exchange on the merchant in New Orleans; and these bills, being accepted, were afterwards discounted by the banks. The planters, from the fall in the price of their great staple, cotton, were unable to furnish the merchant with the means of paying

these bills when they came to maturity, and the merchant, on his part, not having capital enough to carry on his other operations and meet these demands, fails; which disaster deranges and mars the whole web of commercial affairs.

When people engaged in large commercial operations, and enjoying a vast and almost unbounded credit, suddenly fail, a shock is given to public confidence in all men of business, which, for a time, breaks the charmed circle of credit, and the commercial world falls into a sort of syncope, from the suspended action of the great principle of its vitality—commercial confidence. It may be true that the great increase of banking capital led to this spirit of speculation, and to these enterprises and employments, which, not being of a commercial nature, ought not to have been undertaken on the faith of banking capital. Yet who, I ask, is responsible for that increase of banks? Who but the past administration, that, in its lawless act of the removal of the deposites, and the subsequent destruction of the Bank of the United States, gave at once an apology, as well as created a seeming, if not real, necessity for the creation of new banks in every State of the Union? Let it never be forgotten that, in the year 1830, the second year of the administration of Andrew Jackson, there were but 330 banks, with an estimated capital of $145,192,268, as appears from the Secretary's report at the last session upon the subject of the banks; and that, in the last year of his administration, on the first of December, 1836, there were 677 banks, with 146 branches, and an authorized capital of $378,421,168.

The immediate cause of the suspension of specie payments, which commenced in New York, the great commercial emporium of the country, was, no doubt, the unfavorable condition of the foreign exchange, growing out of the debt which had been incurred to Great Britain, of forty or fifty millions of dollars. Not possessing the means of paying that debt in the products of the country, nor being able to procure a postponement of its payment, the specie of the country was required for that purpose, as the only article of commerce, which, having universal value, is the only one which is every where exchangeable for all other commodities; and the banks, as the largest depositories of that article, were called upon to furnish it. But what was their condition? They had been crippled in their resources for the supply of that article by the drain which had been made on the East towards the West, by the last measure of the administration—the specie circular—which had the effect, as was most ably and satisfactorily established by the Senator from Georgia, [Mr. King,] of removing it, contrary to all the laws of trade and of common sense, from the place where it was wanted to the place where it was of no immediate use, and from whence, in the nature of things, it must be forced ultimately to return. But, in the mean time, the mischief is done. The banks of New York, not being able to supply the demand thus created, and perceiving that it must end in the abstraction from their vaults of every dollar of their coin, which would have been attended with a compulsory suspension of specie payments from absolute want of means, and accompanied with the entire prostration of their credit, they determined, by an immediate suspension of specie payments, to save that credit, and avoid the shock which its destruction would have given to the whole community. Their suspension, in the nature of things, led to the same measure throughout the country. It is thus, I conceive, sir, most apparent that, if the commercial distress of this country be owing to the increase of banks and banking capital as the proximate cause, the past administration has been the remote cause, the *causa causans* of the whole difficulty; and that it is equally clear that, if the immediate cause of the suspension of specie payments was the state of foreign exchange and the demand for specie, the remote cause was the specie circular of General Jackson. We might here be tempted to exclaim, "*quam parva sapientia regitur mundus!*" The people of this country have had a lesson, and a severe one, in the throes and convulsions to which it has been subject under the past administration, never again to trust the helm of Government to the hands of any man who is not possessed of the competent attainments and training of civil life; and that it is not sufficient that a man should enjoy the reputation of honesty and common sense to entitle him to claim from the American people the important trust of presiding over their welfare, without any familiarity with the complicated interests of a commercial and civilized community.

But why, sir, I ask again, this hostility to the late deposite banks? Why this new experiment? I will tell you, sir. There must be some new rattle, some new straw to please and tickle the grown children of this nation. I recollect once hearing it said that when the Count Survilliers, the brother of the late Emporer Napoleon, was introduced to President Jackson, the latter distinguished individual said to the count, "I have always, sir, taken your illustrious brother for my model in war." This, to be sure, was very modest. And if one should be disposed to think that there was some difference between the campaigns of Italy and those of a Creek or Seminole war, between the invasion of Russia and that of Florida, yet it should be observed that the remark does not import equality, but merely imitation; and we all know that a copy may be more or less humble, according to the means and abilities of the artist. But let us see whether this admiration of the great original may not have led to the adoption of some of his maxims of civil government. I remember, sir, once coming across a passage in one of the works of that celebrated woman Madame De Stael, which gives a slight sketch of the character and policy of the Emperor; and I remember too, that, upon recently reading it, I was struck with some points of resemblance in the character and policy of the two men. The friends of the late President, who knew him best, will judge how far the resemblance holds; but it seems to me that the passage may be regarded as a sibylline oracle of the events of the last eight years. It may be found in her little work entitled "Ten Years Exile," and runs thus in the English translation of that work:

"While we have seen the Christian Kings take two confessors to examine their consciences more narrowly, Bonaparte chose two ministers, one of the old and the other of the new regime, whose business it was to place at his disposal the Machiavelian means of too opposite systems. In all his nominations, Bonaparte followed nearly the same rule of taking, as it may be said, now from the right and now from the left; that is to say, choosing alternately his officers among the aristocrats and among the Jacobins. The middle party, that of the friends of liberty, pleased him less than all others, composed as it was of the small number of persons who, in France, had an opinion of their own. He liked much better to have to do with persons who were attached to royalist interests, or who had become stigmatized by popular excesses. He even went so far as to wish to name as a counsellor of State a Conventionalist, sullied with the vilest crimes of the days of terror; but he was diverted from it by the shuddering of those who would have had to sit along with him. Bonaparte would have been delighted to have given that shining proof that he could regenerate as well as confound every thing. What particularly characterizes the Government of Bonaparte is, his profound contempt for the intellectual riches of human nature; virtue, mental dignity, religion, enthusiasm—these are in his eyes the eternal enemies of the Continent, to make use of his favorite expression; he would reduce man to force and cunning, and designate every thing else as folly and stupidity. The English particularly irritate him, as they have found the means of being honest, as well as

successful—a thing which Bonaparte would have us regard as impossible.

"I do not believe that when Bonaparte put himself at the head of affairs, he had formed the plan of universal monarchy; but I believe that his system was what he himself described it a few days after the 18th Brumaire, to one of his friends: Something new must be done every three months to captivate the imagination of the French nation; with them, whoever stands still is ruined."

We observe, sir, in the course of the late administration, the same system of fusion. First a little democracy, and then a little federalism, until we are served up in the end with a ragout of both, but so artfully compounded and seasoned, that the original ingredients are no longer to be discovered. This leads me to say a word or two as to the origin of this piebald party. It took its rise more from individual interests and private views—from partialities and antipathies, than from any other cause.

The old parties into which the country had been so long divided had ceased to have any practical existence under the administration of Mr. Monroe. All the great measures of federal policy had been adopted by their opponents. The navy, a bank of the United States, internal improvements, the system of light-houses and harbors—all had become favorite measures with the dominant party; and there remained little to struggle about but abstract doctrines of construction, which had not sufficient interest with the multitude to sustain the zeal of party warfare. Notwithstanding this, the federalists, as a body, were proscribed, and the demagogues of the day were disposed to keep alive the ancient animosity, that the favors of Government might be confined to a smaller number of persons; very wisely considering that, as the days of miracles had gone by, and the loaves and fishes could not be made to feed the whole multitude, it was better to limit the number of mouths to be fed. In this state of things, General Jackson's pretensions to the Presidency were brought forward; and as he had proposed, in his celebrated letter to Mr. Monroe, to destroy the monster party spirit—for it seems there were monsters in those days as well as at present—and had recommended to that gentleman to act as the President of the nation, and not as the President of a party; and to make his appointments indifferently from the good men of both parties, he enlisted at once the sympathies of the federalists in his favor. They hoped, through his means, to obliterate the ancient party names and distinctions, and come in for their share of the honors and emoluments of the Government. Besides many of them felt a peculiar repugnance to his opponent, Mr. Adams, from the fact of his having left their party; and it was believed that if he should even desire to act liberally towards them, the peculiarity of his position as a convert would not suffer him to do so. It was thus that General Jackson was enabled to substitute for the old parties of the country, one which was founded on mere personal considerations, upon private motives, private partialities, and private resentments, which, while it was quite as intolerant of dissenters as the former dominant one had been, required, at intervals, from lack of any settled principles of conduct, some new toy for its amusement, something to captivate its imagination, and inflame its zeal.

Here, then, sir, we have the solution of those various topics which have been thrown out as rattles to the community. First, retrenchment and reform, which ended in augmented disbursements, and increased patronage of the Executive. Secondly, the payment of the public debt, which was continued to be represented as the peculiar merit of his administration, although the natural result of a system which had been organized before he came into power; and to give color to the pretension, the fortifications were neglected and public improvements abandoned, that an event might be accelerated which must speedily occur, and the postponement of which, for a few years could in no degree affect the real welfare of the country. Thirdly, the removal of the Indians, which was conducted without any regard to the laws, accompanied with every variety of fraud and oppression, and has ended in a disgraceful conflict which has brought desolation and ruin upon a large district of country, and absorbed millions of the public treasure. Fourth, the war on the Bank of the United States, which has led to the creation of between three and four hundred State banks, now denounced as an evil. Fifth, the removal of the deposites, which, in its accompanying circumstances, was a gross violation of the law, and of the spirit of the constitution, and was followed by the highest commercial distress and individual ruin. Sixth, the gold currency, which was to give to labor a solid reward, instead of an empty promise to pay; and, seventh the State bank system of fiscal agency, which was to furnish the country with a better currency, and both which latter measures have ended in the disappearance of all coin, and the substitution of an inconvertible paper as the circulating medium; and now, eighthly, this footstep-administration proposes the sub-Treasury scheme, which is to restore us to the halcyon days of our prosperity; and which, in my opinion, will open the door to more fraud, corruption, and national loss, than any other that could be devised; and will, in its turn, be abandoned for some other novelty, if the people of this country do not in the mean time see fit to dismiss these experimenters from their service.

There have been some minor incidents in this drama, thrown in to heighten the effect, such as the quarrel with the Vice President, the dissolution of the unit cabinet, the difficulty with South Carolina, the contest with the Senate, and the rupture with France. The great principle of the party has been blind obedience, and the discipline of the camp was introduced into the cabinet. Indeed, so passive has been that obedience, that the party may lay claim to the encomium which the barber passed upon his parrot. Gentlemen, said he, one day to some persons in his shop, my parrot is a bird of uncommon intelligence. I will give you a proof of it. Pretty Poll, who is the greatest man in the world? Answer—General Jackson. And who is the next greatest? Answer—Pretty Poll. And what does General Jackson say? Answer—Damn the bank! And what does Pretty poll say? Answer—Damn the bank! You see, gentlemen, said the barber, my parrot understands General Jackson's politics quite as well as he does himself.

I come now, sir, to consider my last proposition in relation to the measure now before the Senate, which is, that this sub-Treasury scheme is less safe and less convenient and more liable to abuse than the agency of the State banks. Upon this point I have the authority of the Secretary of the Treasury, in a report of his made during the session of 1835-'6, and also the authority of the Senator from South Carolina, [Mr. CALHOUN,] who does not appear, in the year 1834, to have been as much enamored of the scheme of individual fiscal agents and specie payments to the Government as he does at present. In his speech, delivered here on the 21st March, 1834, upon Mr. WEBSTER's motion for leave to bring in a bill to continue the charter of the Bank of the United States, he expresses himself explicitly; the point which he is urging is the necessity of restoring the equilibrium between the specie and the paper which composed the currency, and the question is as to the means of doing so. After rejecting the taxing power as odious and unconstitutional, and stating that the mere coining power would have but a limited control over the currency, he suggests that some other must be used, and then states that the most immediate and obvious is, the exclusion of every thing but specie in the receipts of the Government. He then proceeds to express himself as follows:

"But there is, in my opinion, a strong, if not an insuperable, objection against resorting to this measure, resulting from the fact that an exclusive receipt of specie in the Treasury would, to give it efficacy, and to prevent extensive speculation and fraud, require an entire disconnexion on the part of the Government with the banking system, in all its forms, and a resort to the strong box, as the means of preserving and guarding its funds—a means, if practicable at all in the present state of things, liable to the objection of being far less safe, economical, and efficient than the present."

Such, sir, were the opinions of that Senator in the year 1834, when he seems to have considered a disconnexion between the Government and the banks as an evil to be dreaded, not a measure to be approved; and a resort to the strong box as being liable to the objection of being far less safe, economical, and efficient than the present.

[Mr. Calhoun here desired to know whether the Senator from Delaware read that extract from his speech for the purpose of convicting him of inconsistencies in his opinions and course of conduct on this subject; for he wished to observe that he could not admit that his opinions were to be gathered from one extract from a single speech, when he had delivered several others, which, if all taken together, would show that his opinions were unchanged in relation to the propriety of disconnecting the Government from the banks.]

Mr. Bayard replied that it was no part of his purpose to convict the Senator from South Carolina of inconsistency in his opinions; that to do so would not assist his argument, nor be agreeable to the private feelings which he entertained towards that Senator; that if there was any apparent inconsistency, he regretted it; but that he cited him as authority upon the particular point now under consideration, namely, the comparative safety of the public treasure in the two modes of keeping it.

Mr. B. then proceeded. The President of the United States, in treating this part of the subject, does not present the matter fairly; he speaks of the amount of the public funds likely to be on hand at any one time, as presenting an average of not more than thirty thousand dollars in the hands of any one officer. But, sir, it is not a question of average The receipts of many individual officers will be ten, twenty times that sum, in a very short space of time; and the amount in their hands may accumulate, by delays in payments or transfers, greatly beyond that sum, or twenty times that sum. The President further treats this question of safety as if it were one which depended on the relative strength of the vaults that were to be employed for the safe keeping of the public treasure; whereas the real question is as to the confidence reposed in the officer, and his official fidelity. No one fears open depredation on either. But no reasonable man will pretend to say that there is any comparison between the safety of funds entrusted to a single individual, checked only by his sense of duty, and the penalty of his official bond, and the safety of the same funds deposited in the vaults of a bank under the check of daily supervision and accountability on the part of its officers, and secured by its entire means, the greater part of which could not be the subject of depredation or fraudulent abstraction. But, sir, I am not disposed to be satisfied with any vague conjectures on this subject, or flimsy reasoning about probabilities. I appeal to experience as the only true guide; I call in its light, and I ask what are the lessons which we derive from it! Let me for a moment draw the attention of the Senate to the case of the receiver at Fort Wayne, in Indiana, reported to the last session of Congress, as furnishing an illustration of the manner in which money may accumulate in the hands of a public officer by a slight neglect of his instructions, and the kind of reasons which may be given for not complying strictly with them.

It appears, then, that this officer, instead of a sum of $30,000, which the President supposes is the average amount which would be in the hands of any officer at any one time, had accumulated in his hand, between the 7th of March and the 1st of June, the sum of $601,380; and that he made no deposites, as in duty bound, from the 7th of March to the 15th of June. That both he and his relative had been in the habit in the office of shaving money; in other words, exchanging money which could not be received for public lands, at a rate of discount varying from 3 to 5 per cent.; and that he was in the habit of taking in five-dollar notes, contrary to his orders; for doing which he received a premium. All this is clearly established by the document to which I refer. Under these circumstances, we find a late Senator of the United States writing to the Secretary of the Treasury in relation to this officer, in the following strain: That he is reputed to be an honest and honorable man, and that the Senator did not think he had intentionally done wrong. And then proceeds to express himself as follows: "It would, to some extent, produce excitement if he were removed, for he has many warm and influential friends, both at Fort Wayne and in Dearborn county, from which he removed to his present residence. Better let it be."

At a subsequent period we find this officer assigning to the Secretary as a reason for not going to deposite funds in his hands, that his democratic friends thought he ought not to leave the place until after the Presidential election, which was to take place eleven days afterwards. The letter is as follows:

"Receiver's Office,

"*Fort Wayne, Oct.* 27, 1836.

"Sir: This is to inform you that I have forwarded to the deposite bank one hundred and four thousand dollars, in silver, there to remain until I arrive with the gold and paper.

"My democratic friends think that I ought not to leave until after we hold our election for President, on the 7th of November, which I have concluded to await, and shall leave on that evening, or the next morning, to deposite, with all the funds on hand up to that time."

Now, sir, it may be asked, why the gold and paper was not forwarded at the same time that the silver was despatched. But without going further into the case, what has been stated is sufficient to show the manner in which the greatest abuses might take place under the proposed system of making the public officers the depositaries of the public funds, and the inducement which may exist to practise those abuses, although the officer may be honestly disposed. In this case I do not know that the Government ultimately lost any thing by this officer: but if it did not, that only shows his individual honesty, but does not prove that the system, which would make him not only the receiver, but the keeper of the public treasure, is not liable to the abuses I have pointed out. Not only would the officer have to resist the importunity of friends in moments of the greatest necessity and distress, and the temptations of avarice on his own part, but the solicitations of his political friends, in moments of party strife, when his office and means of subsistence might be at stake: and he would be told that his democratic friends required a little pecuniary assistance; that a loan to A, and another to B, and a third to C, would help the cause; and that success would secure him from discovery; or, if discovered, from reproof on the part of his superiors. And, sir, let me add, that if yielding to the prompting of avarice, the claims of distress, or the solicitations of political friends, he should become a dafaulter, we should have some Senator or active partisan hinting to the Government that his removal, or punishment would produce excitement, and the matter had better be let alone. Suffer me now to draw the attention of the Senate

to the reports, made at the last session, of the balances due from the collectors, the receivers, and the postmasters, all of whom are, by this bill, to be made fiscal agents; and let us see what lessons are to be drawn from them. And, first, as to the collectors; there are twenty-seven cases reported, four of which exhibit balances upwards of $30,000 each—one case of $58,000, one of $80,000 and one of $109,000. So much for the President's average of $30,000. As a sample of the practical results of such cases, take the following:

"Andrew Erwin, Tennessee, $58,397 28. Suit ordered March 17, 1829. Judgment, October term, 1830, for $92,635. Execution issued October, 1830. In the marshal's report for November, 1830, he remarks as follows: 'reported insolvent.' In a letter dated January 30, 1837, from the district attorney, he advises that, upon the strictest scrutiny of proof by him in this case, he is satisfied that it would be a useless undertaking to file a bill of discovery, as all the responsible parties had previously, in the case of private creditors, denied any indebtedness or liability to Colonel Andrew Erwin," &c.

I will cite one other case.

"Robert Cochran, Wilmington, $109,232 49. Suit ordered September 10, 1821, for $143,922 68. Judgment May term, 1823, for 145,361 90. Balance reduced by subsequent settlements up to July, 1835, to $109,232 49. The district attorney advises that he obtained a decree of the court at November term, 1828, against William Watts Jones, trustee of Cochran, for $9,725 05, with interest from the 7th of February, 1825, till paid. Balance of claim desperate."

In the instance of the receivers, there are twenty-eight cases reported of which five are upwards of 30,000, and one of $110,000; the details are generally in olvency of principal, sureties not to be found, or indulgence granted to sureties, and judgments with a return of no property. In the instance of the postmasters, there are 144 octavo pages filled with the names of defaulters, numbering probably little short of 2,000; for, sir, I had not the patience to count them all, but estimated the whole from the contents of a few pages. The amounts due from them respectively are not generally large, for many of them receive very little, but exhibit an aggregate of $209,398 40, of which $110,400 84 is admitted to be "not collectable." This class of officers, too, are to become fiscal agents, and having shown a disposition to keep for their own use the small amount of public money they have heretofore been able to collect, are now each to be intrusted with keeping, for the public, the President's average of $30,000 of the pubblic revenues. But, sir, there is one case among these which I cannot suffer to pass without more particular notice, exhibiting, as it does, a curious feature in the details of official vigilance. It is that of Francis P. Blair, the editor of the Globe, who was the surety of Samuel B. Crockett, of Frankfort, Kentucky. The balance due from Crockett on the 1st of April, 1822, was $1,395 54, and the following note is appended to the case:

"Suit ordered, and judgment obtained, May, 1824, for $1,827 01; credited by $431 47; penalty remitted by Postmaster General, leaving balance as stated; application for relief refused by the Department December 30, 1825; *fieri facias* issued and returned March 1826; no estate found; information was sought by the Department relative to the parties, November 30, 1835; referred to the district attorney December 30, 1835: also wrote to him February 13, 1837."

So that it seems, Mr. President, here is a case originating in 1822, more than fifteen years ago, in which judgment was obtained more than thirteen years since, and we are gravely told that on the 30th of November, 1835, the Department was seeking information relative to the parties; when one of those parties, Francis P. Blair, the surety, was living under the very eyes of the Government, in habits of daily social and political intercourse with the President, and with the head of the Dpartment, and receiving thousands of dollars as the printer to the House of Representatives; and yet the official eyes of the Department could not see him. Such, sir, will be the results of this system if carried into effect. I do not mean longer to trespass on the patience of the Senate, but allow me in conclusion, to say, that if this system is adopted, which has nothing on earth to recommend it but its novelty as an experiment, and which defeats its alleged objects in relation to the currency, there will be exhibited a scene of fraud, peculation, and political corruption, which has never been witnessed before in this country, and seldom, perhaps, in any other.

When Mr. BAYARD had concluded,

Mr. CALHOUN followed in explanations.

ATTORNEYS' FEE BILL.

Mr. GRUNDY asked the Senate to take up, informally, the "bill regulating the fees of the district attorneys in the renewal of merchants' bonds." No objection being made, the bill was taken up and read a second time.

The bill is as follows:

A Bill to regulate the fees of District Attorneys, in certain cases.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon every extension of a custom-house bond, granted under the instructions of the Solicitor of the Treasury, the district attorney shall be entitled to the sum of five dollars, to be paid by the person applying for and obtaining such extension; and no other charge or compensation whatever shall be made, or allowed to any district attorney for his services in any case of the extension of a custom-house bond.

Mr. G. briefly explained the views of the committee in relation to the bill before them. The object was to fix some uniform price for the services of district attorneys in such cases. The fees varied materially in some of the different States, and in some he believed no compensation was allowed. The present sum, Mr. G. thought was, according to his judgment, about a fair equivalent. Filling up a bond was not the only duty performed by the district attorneys; they had to look into the conditions of principal and sureties, &c.

Mr. WEBSTER was of opinion that the bill as reported would not reach the mischief—it did not probe deep enough for that. The fees of the Government officers at New York were ten times greater than those of Boston, Baltimore, or Charleston, and he was desirous that they should be restricted within some reasonable limits, for at present they were beyond all reason. The office of the district attorney of New York produces more than the salary of the President of the United States, and the clerk received more than would pay the annual salary of the Chief Justice of the United States. There was not only gross enormity, but gross inequality in this business, which the bill, in his estimation, was not calculated to cure.

Mr. GRUNDY was of opinion that the bill as reported, covered all that the resolution of the Senaior from Massachusetts had referred to. The Senator should have attended to the subject when before the committee. It could not be expected that a full examination of the modes of taking fees as regulated in the different States, would be gone into at a juncture like the present. The committee had prepared an adequate remedy, in its opinion, for the evil complained of. Mr. G. expressed his willingness, however, at a proper time, to go into the subject, and have a thorough reformation of the whole business of fees.

Mr. WEBSTER then proposed the following amendment, which he thought would cover all the ground:

SEC. 2. And that no suit shall be brought, or costs in-

curred, on any bond, for the renewal of which provision is made by law, unless the party or parties shall neglect to apply for such renewal for more than twenty days after the maturity of such bond.

Mr. Webster explained the object of his amendment to be to prevent what are called "snap-judgments," and other tricks employed by pettifoggers.

Mr. BUCHANAN thought the matter required more consideration, and moved to postpone it until to-morrow; which motion was agreed to.

SUB-TREASURY BILL.

The Senate resumed the consideration of the bill for a sub-Treasury system. (Informally suspended to allow of the consideration of the Attorneys' Fees bill.)

Mr. WRIGHT rose and said that, but for his situation upon the committee, which reported the bill upon the table, he should not only not feel it to be his duty, but he should not even feel excused, for occupying the attention of the Senate at this time, and adding to this already full debate. Indeed, so extensively had all the important points presented by the various propositions been referred to, and ably debated, by those who had preceded him, that he should feel justified in preserving silence, had not certain charges been made against the committee, touching the discharge of their duties, which he felt himself compelled to notice. He did not use the term "charges" in any offensive or improper sense, but as expressing strong differences of opinion between himself and those who had complained.

The reference of this and all the other important subjects which had occupied the attention of the Senate during its present session, to a single committee, though strictly appropriate, had necessarily devolved upon the members of that committee some labor, great anxiety, and high and delicate responsibilities. It was impossible, therefore, that any one of them, and most especially any one of the majority of the committee, who had concurred in its reports, could have listened to this debate with any other than the most interested feelings; nor could they pass in silence, charges of insensibility to the crisis, and its influence upon all the citizens of the country, or of a culpable neglect of any important duty confided to them. What, then, were the charges to which he had referred?

The first was, that the committee had confined their deliberations, and the measures they had proposed, simply to the wants of the Government, in disregard of the higher and paramount wants of the people. It had been said that the great and important purpose of this extra convention of Congress was to relieve the people, and that the wants of the Government were secondary and unimportant in the comparison. He did not himself understand this new doctrine of a separation of interests between the Government and the people. He had supposed that the wants of the people, which it was within the constitutional power of the Government to relieve, were, of necessity, the wants of the Government itself; nor could he understaud how it was possible that the Government could have any want, which was not a want of the people. The public Treasury want money. Is that a want of the Government and not a want of the people? For what is the money wanted? To carry out the dearest interest of the people, in all the objects of a good Government, of a Government of their own choice. Why is the want of money for the public Treasury a want of the Government? Simply because it is a want of the people, inasmuch as, without it, their Government cannot be carried on.

He would examine, for a moment, the measures which the committee had reported to the Senate, that, in that way, it might be seen what was their tendency and effect, and how far the committee had been derelict in their attention to the wants of the citizens generally, or in proposing such measures of relief as the Government could adopt. He certainly did not intend to discuss now measures which had passed the Senate and gone to the House many days since, but he trusted a reference to these measures, for the purpose he had avowed, would be not only pardonable, but proper.

The first was the bill to postpone the transfer of the fourth instalment of the deposite with the States. The committee found that the existing law made it the duty of the Secretary to make this transfer to the States, of about nine and one third millions of dollars, on the first day of the present month; on yesterday. They found that the means in the Treasury, from which alone it could be made, were in the late deposite banks, and in the deferred and unpaid merchants' bonds for duties. If the transfer must be made, the banks and the merchants must be called upon for immediate payments, to enable the Treasury to make it. Consequently, the customers of the banks, and of the merchants, must be called upon to pay them, that they might be able to pay the Government. The committee supposed it impolitic to make the call, and oppress the debtor citizens, merely that the Treasury might obtain the money to transfer for safe-keeping. They considered it wiser and better to postpone the transfer and give time to the banks and merchants to pay. Therefore, they presented the bill in question: and was it not a relief bill? Did any one look on it as a relief to the banks and merchants only? Did any one suppose that the banks actually had in their possession, locked up in their vaults, the money they owe to the Government, or that the merchants were in funds to pay their deferred bonds, without a call upon their customers? On the contrary, did not all know that the banks had loaned these moneys in the ordinary course of their banking operations, and that they could not pay without collecting these loans at this difficult period for borrowers to pay? Did not all know that the inability of the importing merchants to pay, proceeded from the inability of their customers to pay, and that, if pressed for payment by the Government, they must press those customers? And who are the customers of the banks and the merchants? Are they not the people, and the whole people? Would any one say, then, that this was not a relief bill? That this was a bill for the Government, and not for the people?

The second bill reported by the committee, was to authorize the emission of ten millions of dollars in value of Treasury notes; in this form to borrow upon the credit of the United States the sum of ten millions of dollars in money—and for what? To enable the Treasury to get on, and grant time to the debtor banks and merchants. The committee found the Treasury in want of means to answer the ordinary calls upon it, and that those means must be realized, either from a prompt collection of the demands due to it, or from moneys raised upon public credit. For the reasons which induced them to recommend a postponement of the further deposites with the States, they were also induced to present this bill to the Senate, and thus, so far as the current calls upon the Treasury should require it, to interpose the public credit between the wants of the Government and the rigid collection of its dues. Was this bill to be considered in the mere light of a care for the Government, without regard for the interests of the citizens? Who were to be affected by a prompt and rigid collection of the public dues? Not the Government, or the Treasury, but the public debtors. Who were the public debtors? The banks and the merchants immediately: the borrowers from the banks and the customers of the merchants substantially. And who were the borrowers from the banks and the customers of the merchants but the people of the country.

The third bill reported by the committee was to grant time to the importing merchants upon their bonds due, and to become due, for a year from the present time. The extension, assented to by the committee, and ordered by the

Senate, was nine months upon each bond. Would any one question that that was a relief measure to the merchants? Did any one suppose that the relief afforded by that bill was designed to reach no further than the merchants who owed the bonds? No, sir. It was the customers of those merchants, the persons who had purchased for consumption and use the goods upon which the duties were payable, that the bill was to relieve. Few, comparatively, of those who occupy these seats would have voted for that measure, had its influence and action been confined to the merchants only. But they could not indulge their debtors unless they could be indulged by the Government, because they must collect if they must pay. To enable them to grant the indulgence which the state of the times and the condition of the monetary affairs of the country demanded, was the design and object, and would be the effect, of the bill. Who, then, would deny to it its relief character?

The fourth bill which the committee presented for the acceptance of the Senate, was one to extend a proportionate indulgence to the late deposite banks for the payment of the balances remaining due from them to the public Treasury. It was true that these institutions stood upon a different footing from the merchants. They had merely received the public moneys for safe-keeping. The moneys were legally and technically in the Treasury, but were they there in fact? Could the Treasurer command them for the uses of the Government or the people? No. They were unavailable funds in the Treasury. And why were they unavailable funds? Because the banks had got them locked in their vaults, and were not willing to pay them upon demand? No, sir: but because the banks had them not; because they were loaned to the customers of the banks, the citizens of the country, who could not pay on demand. The relation of debtor and creditor, in its ordinary acceptation, was not intended to be created by the law establishing the late bank deposite system. It was a mere agency for the safe keeping of the money, which the law recognised, but that agency had been turned into the relation of debtor and creditor by the failure of the banks to fulfil on their part—into the most unpleasant relation of debtor and creditor; a creditor who wants and debtors who cannot pay. Indulgence, therefore, became a matter of interest to the creditor, as adding to the chances of eventual payment; and of favor to the debtors, as giving them time to collect the means for payment. To whom, then, was the favor, the relief, extended? To the banks or to their customers? Most assuredly to the latter. The banks could pay if they could collect; and, if compelled to pay, they would be compelled to collect. Their power to indulge depended upon the indulgence extended to them; and could it be said that a measure giving to them four, six, and nine months, to pay their balances to the Treasury, was a measure solely confined to the protection of the Government, without regard to the relief of the people?

These were the first four bills presented by the committee to the Senate, and yet they were told that they had forgotten the suffering interests of our great community in their exclusive care for the Government and its officers. Was the charge just or merited? These bills had all received the final action of the Senate, and all, save one, had passed this body by nearly unanimous votes, while that one had passed by a large majority. It was true that the connexion between them was intimate, and that, to a greater or less extent, each subsequent one was predicated upon the success of its predecessor, while all were most intimately connected with the condition and action of the public Treasury.

Indeed, it was but candid to say that the committee knew of no direct relief which Congress could properly afford to the distresses of the people of the country, but such as should grow out of the existing connexion between the means of the Treasury and the banking and mercantile interests. These bills covered all that ground, and no difference of opinion could possibly exist as to them, unless it should arise upon the principle of indulgence, or the time of indulgence. No such difference had been manifested in the action of the Senate upon the respective measures, and therefore it was right to assume that none existed. Some had supposed that it was the duty of Congress to borrow the nine and one-third millions, covered by the first bill, that it might be transferred to the States for safe-keeping; and propositions having that tendency had been presented to, and acted upon, by the Senate, but they did not meet with favor. The body did not seem to suppose that such a disposition of the public credit would be a measure of relief either to the Government or the people, and it was rejected.

Take, then, the four measures referred to, sum them up in their combined action, and to what do they amount as relief to the community? The first is equal to a forbearance to collect nine and one-third millions of dollars from the customers of the banks and the merchants, to be transferred to the States for safe keeping. The three last authorize a loan, upon the public credit, to the amount of ten millions of dollars, to pay the expenses of the Government and meet the public appropriations, and a forbearance of the collection of that sum from the public debtors, that they too may be able to forbear collections, at this trying period, from those who are indebted to them. Here, then, is direct and positive relief to the amount of nineteen and one-third millions of dollars. Might he not, then, ask, with some force and some justice, whether the committee were obnoxious to the charge of having forgotten the interests of the people in their care for the Government? He would here dismiss this topic.

The next and only remaining charge against the committee which he proposed to notice was, that in their action they had entirely overlooked, or wholly neglected to act upon, one of the most, nay, the very most, important of the subjects presented for their action in the message of the President referred to them; that they had reported no bill declaring the description of currency which should be receivable in payment of the public dues. He did not refer to this complaint against the action of the committee for the purpose of representing it as unjust or ungenerous; not even for the purpose of refuting it. It had come from opposite sides of the House, and it might be well founded. The fact was certainly as alleged; and his only purpose was to give the reasons which governed himself, and which, he was certain, governed the majority of the committee, in the conclusion to report no bill upon the subject of the currency to be received into the public Treasury. Those reasons had been, and still were, satisfactory to himself, as he doubted not they were to his colleagues upon the committee; but the course of action of the Senate upon this bill seemed to indicate, and its final action would probably show, that they were not satisfactory to the majority of the body. Should this be so, the committee would be content, when their reasons had been placed fairly before the Senate and the country.

They found the message presenting, among others, two distinct points, both, in the judgment of the committee, most deeply interesting to the public Treasury, the Government, and the country. The first was the continuance of the separation between the moneys of the people and the State banks, which the operation of the existing laws and the conduct of the banks had already produced. The other was a gradual and safe discontinuance of the reception of the bills of the State banks in payment of the public dues, and an eventual return to the collection of gold and silver and such paper as should be issued upon the faith and credit of the United States, and be, by the laws of Congress, made receivable for debts due to the United States.

The laws as they are, upon the subject of the deposite and safe keeping of the public moneys, seemed to the committee to require immediate action, if the recommendation of the President was to be carried out and made a part of our permanent policy. Hence they reported to the Senate the bill now under discussion. They were not unmindful that some regulation as to the descriptions of currency to be received in payment of the public dues might become necessary, in case the new system of deposites should be adopted and the present condition of the banks should be changed; but in the present condition of the banks and of the law upon this point, they could see no necessity for immediate action, or for any present change of the existing laws. They felt that the two subjects were somewhat connected, but not so intimately as to require or demand that both should be embraced in the same bill. They knew that great diversity of sentiment prevailed as to both, and that different opinions were held by those who had hitherto been friends and supporters of the administration, as well as between them and their common political opponents. Under these circumstances, and with the distinct expression of a desire, on the part of a large majority of the Senate, that the present session should be terminated at the earliest possible day, the committee felt bound to present every subject from their hands in the most simple and distinct form, and in a shape which might receive the definitive action of the body with the least possible consumption of time. With this view they reported separate bills upon every subject upon which they did report, and the same consideration influenced them to omit reports upon all subjects which they supposed might be deferred to the regular annual session, without injury to any important interest, public or private. By the law, as it stands, the notes of non-specie paying banks can neither be received in payment of the public dues, nor paid to the public creditors. He was sorry to be compelled to say that, for all practical purposes either to the Government or the people, there were, at this time, no other banks in the country, and he was much more sorry to be compelled to believe that there would not, in a practical sense, be any such banks until after the time when Congress would be again in session. No one had proposed, and he was happy to know that no one would propose, to make the inconvertible notes of non-specie paying banks receivable at the public Treasury, and surely no one could have expected such a proposition from the committee. The revenues, then, to every practical extent, are now receivable in gold and silver only, unless Congress shall, at its present session, create a paper upon the faith and credit of the Government, and make it receivable for the public dues. Hence the absence of any immediate necessity for legislation upon this point. The committee further believed, what has already been proved to be true, that any bill upon this subject would lead to long and grave discussion, and tend to protract the session. For these reasons they had omitted to report upon this subject, and he had as yet seen nothing to change his opinion of the wisdom of their course. He still believed that the connexion of these two subjects in the same bill was undesirable; that it would retard action, and he greatly feared embarrass the bill which the committee had reported, and the passage of which they considered to be of high public importance. The matter, however, was now with the Senate, and he should cheerfully submit to its choice. If called upon to vote upon the proposition before it, he was ready to vote, whether they should be insisted upon as amendments to the committee's bill, or as an independent measure.

Having said thus much by way of explanation, and he hoped, to some extent, in justification, of the course and action of the committee, he would now pass to a brief discussion of the bill before the Senate.

The crisis, he said, was one of the deepest interest. Every man in these seats, every citizen of the country, felt it to be so. Still, its peculiar character could not be too often adverted to, or too firmly fixed in the memory of all. During a period of profound peace; after a series of years of unexampled abundance in every production of the earth, and every product of labor; with a currency more abundant than our young country had ever before witnessed, and standing as strong in the public confidence as our paper currency had ever stood; with ready markets, and prices higher than any former period of peace had sustained; under the influence of all these elements and evidences of prosperity and wealth, national and individual, and at the entrance upon another of those rich and fruitful seasons with which a kind Providence so frequently blesses our fertile soil—a season not surpassed by any which has preceded it in the abundance it has returned to the husbandman for his labor—at such a time, and under such circumstances, the revulsion came, and in an instant, as it were—in a single night, the whole beauty of this rich scene was changed. That currency, so abundant and creditable, became depreciated, inconvertible, and debased. Those markets, so quick and active, and profitable, became stagnant and deserted. Those prices, so alluring to enterprise and industry, were changed to a priceless mass of unsaleable commodities.

That all should have inquired after the causes of this sad and sudden change, was most natural. That statesmen should have done so was necessary to the discharge of their delicate and responsible duties. The President of the United States, to qualify himself for the performance of his constitutional duty of giving to Congress "information of the state of the Union, and recommending to their consideration such measures as he shall judge necessary and expedient," has done this. In his message, he has given to us his opinion of the causes which have brought upon our country this sudden and sweeping revulsion. It was not his purpose to examine the correctness of these opinions of the President. No one had expressed a doubt that they were honestly entertained, and all admitted that they had been clearly, frankly, and firmly expressed. They had been the subject of able and extended criticism in the course of this debate, and he thought also the subject of equally able and perfectly triumphant defence. Entertaining this opinion, he had but a single remark to make in regard to them, and that was, that he had heard criticism and contradiction from some quarters of the House delivered in a manner and in language which excited his profound regret—in a manner and in language which he would not, if he could, (and he was most thankful he could not,) imitate, towards friend or opponent.

He had listened to the debate, however, with profound attention; and while all had their peculiar views of the causes of the present derangement in our monetary affairs, and while the views of the different speakers differed materially as to the immediate and most active causes, he thought there were certain general positions substantially conceded by all; which, being drawn out and placed in their proper order, would advance us very far in the wide field of discussion presented and occupied by the various members. He had endeavored, therefore, to place these positions upon paper, and to give them an order best calculated to promote this object. They were as follows:

1. That wide-spread and highly injurious derangements have been, and are experienced, in the banking concerns, and in most of the business transactions of the country.

2. That the present embarrassments in the affairs of individuals are, to a greater or less extent, caused, or greatly increased, by the existing embarrassments in the affairs of the banks,

3. That an undue multiplication of banks by many of the State Legislatures, and excessive issues of paper money by the State banks, are among the most prominent of the

causes which have brought about these embarrassments of the banks, and consequently of business generally.

4. That a material enlargement of the specie basis for our paper circulation, is indispensable to the security of the banks, and the stability of the paper currency.

5. That all banks of issue and circulation are liable to excesses, and that the State banks, from their distant locations, rival interests, and the variety and diversity of their business and associations, are peculiarly so liable, which renders it desirable and important that the fiscal action of this Government should never be so directed as to promote these excesses, while, so far as that can be safely and constitutionally done, it should be so directed as to have an equal tendency, in all parts of our extended confederacy, to check them.

6. That the powers of Congress, to prevent the evil of excessive banking by the State institutions, are, in no sense, direct and positive, but are, in whatever form they may be exercised, incidental and consequential, growing out of the expressly granted powers.

So far he thought all could agree and walk together in this trying crisis. He was not aware that any one would controvert either of these positions, while he was sure that most of those who had addressed the Senate, in the course of this debate, upon whatever side of the house, had substantially assumed them.

The difference seemed to arise as we passed the last proposition, and came to inquire how this incidental power of Congress should be exercised. The late catastrophe to the banks and business of the country, had satisfied all that something was wrong in the working of our monetary system, but the seat of the disease, and the appropriate remedy, were questions upon which opinions differed.

The President was bound, in recommending to the consideration of Congress, such measures as he judged necessary and expedient, to point out his view of the evil, so far as he should consider it connected with and remediable by federal legislation, and to present his plan of remedy. He has done so frankly and fully, and as the majority of the Committee on Finance have agreed with him, and have reported the bill under consideration to carry out his recommendation upon this point, it would be his duty, Mr. W. said, to examine that bill in its favorable and unfavorable influences upon the Treasury, upon the Government, upon the banks, and upon the currency generally. The safe keeping of the public moneys became separated from the State banks, in May last, by the voluntary suspension of specie payments by the banks, and the operation of the existing laws upon that act, and the bill proposes to continue the separation.

Before he could proceed with his argument, he must here notice a position taken by the Senator from South Carolina, who addressed the Senate yesterday, [Mr. PRESTON,] and which position, he must say, he heard assumed with some surprise. It was, that the existing law had not produced a separation between the public Treasury and the State banks; that they were not legally separated, and that the only separation which did exist was one forced by the Secretary of the Treasury, without the requirement of law and against the public interests. If he correctly understood the Senator, this was a fair statement of his argument; and he would repeat, he had heard it with surprise. The answer to it should be an extract from the law itself; and it would be found a triumphant answer. That part of the eighth section of the deposite act of the 23d of June, 1836, which prescribed the rule for the action of the Secretary upon this subject, was in the following words:

"Sec. 8. *And be it further enacted*, That no bank which shall be selected or employed as the place of deposite of the public money, shall be discontinued as such depository, or the public money withdrawn therefrom, except for the causes hereinafter mentioned; that is to say, if at any time any one of said banks shall fail or refuse to perform any of said duties as prescribed by this act, and stipulated to be performed by its contract; or if any of said banks shall at any time refuse to pay its own notes in specie if demanded; or shall fail to keep in its vaults such an amount of specie as shall be required by the Secretary of the Treasury, and shall be, in his opinion, necessary to render the said bank a safe depository of the public moneys, having due regard to the nature of the business transacted by the bank; in any and every such case it shall be the duty of the Secretary of the Treasury to discontinue any such bank as a depository, and withdraw from it the public moneys which it may hold on deposite at the time of such discontinuance."

This was the law. What had the Secretary done? He had discontinued the defaulting banks as public depositories. Had he obeyed the law in doing this, or had he forced the separation? It was true, as the gentleman had stated, that there were yet six specie paying banks, and consequently six deposite banks upon the list; but where were they located? What were the collections of the revenue at those points? What was the importance of any one of them as a fiscal agent of the Treasury? The gentleman had not seen fit to give to the Senate these facts in connexion with his claim on behalf of this remnant of the deposite banks, and certainly he did not intend to detain the Senate to do it. It was enough for his purpose that the connexion was, for all practical and useful purposes, either to the Government or the people, wholly dissolved; and if it again existed, must exist by a re-union, not as a continuance of any present existence.

The conduct of the Secretary of the Treasury was complained of by the Senator. Had the Secretary attempted to force a separation between the public deposites and the six remaining deposite banks? This was not alleged. They were placed upon the list of depositories in the report of the Secretary, laid before Congress at the commencement of the present session; and in the same statement the location of each, and the amount of public money on deposite in each, to enable the Senate and the country to judge of the importance of a continued connexion with these banks as fiscal agents of the Treasury, were plainly given. From this statement the assertion had been made, and was now repeated, that, for all practical and useful purposes to the Treasury or the people, the connexion between the deposite banks and the public moneys was at an end. Nor was the Secretary of the Treasury in any sense chargeable for the dissolution of this connexion. So far from it, his own statements to Congress show that he has fallen short of the execution of the law. It commanded him, upon the failure of any bank to pay specie for its notes, when demanded, not only to discontinue such bank as a depository, but to "withdraw from it the public moneys which it may hold on deposite at the time of such discontinuance." Has he done this? No: for he tells us that the larger portion of the means in the Treasury, at this moment, exists in balances due from these banks as portions of the deposites they have received for safe keeping. Has the Secretary brought suits to recover these balances, when the banks have failed to make legal payment? He tells us not, except in a few cases where it was considered necessary, for the eventual security of the public property. He, then, is the last person in the world who should be charged with persecution against the banks, or with an attempt to force a separation between them and the public Treasury. If he is culpable at all, it is in not having obeyed the law, by withdrawing from them the moneys they held in deposite at the time they discontinued the payment of their notes in specie when demanded. If he has violated the law, he has violated it from lenity to the banks; and all know that this lenity has been wholly compulsory, growing out of the situation in which the banks have placed

themselves. So much for the charge that the Secretary of the Treasury has forced the separation between the banks and the Government.

He would now proceed to inquire what influences, favorable, or unfavorable, the bill to make this separation between all banks and the public money permanent, would exert upon the public Treasury. It would give to the Treasury direct possession, and a perfect knowledge of its means, at all times, and under all circumstances. They would consist not of bank credits, but of money, and would, therefore, not be subject to any of the fluctuations to which bank credits must be always liable. The means of the Treasury would be the value received, and not the mere representation of that value in account.

It would give to the Treasury the perfect command of its means. It would no longer be troubled with unavailable funds, a description of funds well known to it for the last twenty years; which have always grown exclusively out of its connexion with banks; which now constitute almost its only resource for the payment of the public creditors; and the consequence of which character given to the means of the Treasury, so far as he was informed, had, more than any other single cause, compelled the convention of Congress at this inconvenient, and he thought he might safely say dangerous, season of the year. It might be well here to define this term "unavailable funds," as applied to the means in the public Treasury. He understood them to consist, now and upon all former occasions, either of bank notes, which the banks issuing them could not redeem in specie, or any thing else which would pay the debts of the Government; or of moneys received by the banks for safe keeping, and which they could not pay, upon demand, in the legal currency of the country, or in any currency, which the creditors of the Government would consent to receive as money. An entire separation from banks would, of course, relieve the public Treasury from this embarrassment for the future. It would, at all times, enable the Treasury to pay the demands upon it, when the money of the people had been collected and placed in its keeping for that purpose; whereas, under the connexion, these moneys were liable to become unavailable in the hands of the banks, and the people again to be called upon to raise, either from their pockets, or upon their credit, the means to pay those very debts for the payment of which they had once provided by depositing the money in bank.

A continuance of the separation would further relieve the Treasury from the necessity of using its means to sustain the credit of banks, when revulsions in trade, and general shocks to credit, should bring the banks in jeopardy. These revulsions must be always more or less frequent in every commercial country, and most frequent, and most severe in those which most extensively adopt a system of paper or credit circulation and currency. If, then, the means of the national Treasury are confided to the safe keeping of the banks which furnish that paper or credit circulation and currency, they must be always subject to the fluctuations, revulsions, and incidents, to which the credit of the banks are subject. They become mere credits with the banks, and cannot be exempted from the influences which affect its other credits. Can the fiscal officers of the Government, then, neglect to put forth their exertions, and the means at their command, to sustain the credit of those banks, when occasion shall call; whose credits constitute the means of the public Treasury itself? He was not ignorant of the fact, that loud and startling complaints had been made in this hall against a late Secretary of the Treasury, upon the mere suspicion that he had used the means of the Treasury to sustain the credit of the deposite banks; but would any gentleman deny that, under this concise and practical view of the consequences of a connexion between the Treasury of the people and the banks, it must frequently become the imperious duty of that officer, a duty as binding as that of keeping the Treasury in a situation to answer the calls upon it, to exert this power, and so to locate the means of the Treasury, as to render it as effective as possible? The consequence was unavoidable, and still the exercise of such a power would always be odious in a political sense, and must always be more or less invidious in a financial sense. It could never be exerted equally towards all the banks, but must be used especially in favor of those which should be, for the time being, the depositories of the public funds. Its influence, then, might often be unfavorable, and even injurious, towards institutions which had promoted, as much as any other, the collection and prompt payment of the public revenues, but which should not, on the day of trouble, be safe keepers of any portion of those revenues. Is it not desirable, if it can be done with safety to all interests to be regarded, to relieve the Treasury, and the head of the fiscal department of this Government, from this always so delicate, and frequently so odious, an exercise of the power and influence of the public funds, upon the credit of the banks and the business of the country? He must say that a proper national pride, and a just feeling of patriotism, seemed to him to demand it, at any expense short of the positive sacrifice of some paramount public interest.

A further benefit to be derived from a system which shall make the Treasury the keeper of its own means, and especially if those means shall be collected and disbursed in the legal currency of gold and silver, or of paper issued upon the faith and credit of the Government only, will be a perfect uniformity of value in the collections and disbursements of the Treasury, wherever made. Its operations will become stable and certain in every sense, and all the contracts with the Government may be made without the customary deductions on account of the anticipated receipt of a depreciated medium of payment. Every citizen can make his proposals for the public works or public supplies, wherever may be the place of his residence, or the place of payment under the contract, based upon the par of money, and will not be driven to an uncertain calculation upon the fluctuations of exchange and the uncertainties of credit.

These are some of the benefits to be anticipated to the public Treasury from a permanent separation from the banks. What are the injuries, the unfavorable influences, if any, to stand against these benefits? He had heard but one suggested, so far as the interests and conveniences of the Treasury are concerned, and he must say but that one had occurred to his mind. The expense and trouble of remitting specie, in cases where that should become necessary, was, he believed, the only drawback upon the Treasury for all these benefits, and a short axamination would show the weight of this objection.

Under the system of bank deposites, drafts from the Treasurer, upon the different depositories, and from one depository upon another, are made the medium of remittance in all ordinary cases, and, where the drafts are fully credited, supersede the necessity of an actual transportation of the money in almost all the operations of the public Treasury. Nothing in the system proposed, prevents the use of the same medium for remittance and exchange. The drafts of the Treasurer of the United States upon a receiving officer of the Government, will certainly have as good credit as his drafts upon a deposite bank, and when they are known to be drawn upon the specie in safe keeping, and upon nothing else, they cannot fail to be as acceptable to the public creditor as any similar drafts have heretofore been. The trouble and expense, therefore, of transporting specie funds from one portion of the country to the other, for disbursement to the public creditors, will not probably be more extensive under this bill than under the bank system which it proposes to supersede.

But we here meet an objection from the Senator from South Carolina, [Mr. Preston,] which requires an answer.

He says the system proposed, thus carried out, will constitute a bank, a bank of discount, a bank of issue, a national bank, a Government bank. He reasons thus: One of the depositories constituted by the bill will make his draft upon another and deliver it to the public creditor. The receipt of the draft by the public creditor, is a discount of the paper of the officer making it. The person receiving the draft may transfer it to his neighbor before it is presented for payment, and it may pass from hand to hand before it finds its way to the officer upon whom it is drawn, and who has the specie in keeping for its payment. This will convert the draft into an issue of paper, and as it is drawn upon specie funds in actual deposite in the hands of the drawee, the whole machinery must constitute a bank, and a bank, too, of deposite, discount and issue. Now the only answer which this argument requires is simply to say, that if this constitutes a national bank, a Government bank, or a bank of any sort, then we have had such a bank under the system of deposite with the State banks, because the public disbursements have constantly been made, and the public funds distributed and equalized by exactly similar drafts. He saw no force whatever in the argument, unless it was designed to frighten those who, like himself, were not very partial to banks of any description, and were most distinctly hostile to a national or Government bank, with the apprehension that such a bank was insidiously buried under the bill, and would be disinterred and spring into life at its passage. Now he was ready to say to the Senator from South Carolina, and to all the friends of that Senator who were so very anxious for the establishment of a national bank, that, opposed as he was to such an institution, in name or in principle, if they would compromise by the acceptance of such a bank as this bill would establish, they should have it with his cheerful assent, and this long and heated agitation about a Government bank should be forever amicably settled.

He would now look at the influences of this measure upon the Government.

It would discharge its legislation from bank influences of all sorts. He spake not of improper or corrupt influences, but of those constituent interests, which must be represented in Congress so long as the connexion between the public Treasury and banks of any description was maintained. He addressed those who must understand him, and who must have seen and felt these influences in our official action here. Who, he would ask, had occupied one of these seats for the last five years, and had not seen the power of this influence upon our deliberations? Who had failed to see that it was an influence more nearly overpowering and beyond our control than any we had been called to encounter? Who did not see and feel it now as pressing upon us with a giant force? It was true, we had formerly and most usually encountered it in the consolidated form of a national bank, and that it now presented itself to us in State detachments; but it was the same influence similarly exerted. It was the effort of cupidity on our free institutions—an effort to make money out of the money and means and credit of the people.

He uttered these sentiments with extreme reluctance, and with the most extended charity towards all those who differed from him. He knew well that not only political opponents, but those who had ever been political and personal friends—those towards whom he had ever entertained, and still did entertain, the kindest feelings, did differ with him upon these points. He most cheerfully yielded to their integrity, sincerity, and patriotism, every indulgence which he asked for himself; but the crisis, the importance of the questions presented, and our imperious duty to our constituents, demanded from us frank and fearless action.

Was it not, then, in case he was right, most desirable to free the legislation of Congress from bank influence altogether? Would it not tend more than any other single act we could perform, to take from our debates and deliberations that bitterness and acrimony which had too strongly characterized them for the last few years, but which, he was proud to say, had entered, in a much less degree, into the present debate in the Senate, than into any similar debate for many years? For himself, he felt that this consideration alone demanded the passage of this bill; that it was entirely paramount to any objections he had yet heard urged against it; that it was as much superior to considerations of financial convenience and pecuniary profit, as was the purity and permanency of our political institutions to the temporary advantages of a bargain or the facilities of borrowing money.

This was not the only advantage the Government would derive from a permanent separation of its finances from the banks. It would discharge it from that eternal round of imputations to which, under the connexion, its every fiscal action is subjected. If it be a time of prosperity and plenty, all are struggling for the profits arising from the safe-keeping of the Government funds; and the failure on the part of its fiscal officers to select a given bank as a public depository, is not only matter of personal offence, but is immediately converted into the active cause of all the pecuniary calamities which the friends and customers of that bank may experience through all time to come. If it be a time of scarcity and pressure, like the present, the drafts of the Treasurer upon the money of the people in safe-keeping with the banks is a ruthless attack, a war upon them, and is intended to prostrate the institutions. The former keeping of the funds becomes a merit and a virtue, and to ask for their payment to the public creditors is ingratitude and injustice.

If the Executive in the exercise of a sound discretion, sees proper to issue an order requiring payment in money for the whole, or any portion of the public revenue, this is converted into an attack upon the banks, a distrust of their credit and solvency, and a wrong inflicted by the Government upon the whole people. Can it be desirable to preserve a connexion which is the subject of incessant complaint on the part of the banks and their friends, and of constant embarrassment to the operations of the public Treasury, and of imputation upon the most faithful and worthy public officers? He thought not. He considered this connexion of the fiscal affairs of the Government with the credit and business of the banks, and of business and commercial men, and the constant imputations brought upon the Government thereby, as promoting a political morality in the public mind most dangerous to our institutions; as doing more to weaken the confidence of the people in the Government of their choice, than any and all other causes of distrust combined. If we would listen to the slander and misrepresentations of the times, we must believe that all our misfortunes, public and private, are imputable to our Government—all our prosperity to a resistance to its measures and its policy. And whence do these imputations come, but from our connexion with the banks? They all emanate from that source, and from no other. That connexion is now dissolved, by the operation of law and the voluntary action of the banks themselves; and he would say, let it be perpetual—let it never be renewed.

The effect of this measure upon the banks should next occupy his attention.

It had been considersd as a measure of open and violent hostility to those institutions; as fraught with unmixed evil to them. Was this the true view of it? Had it these exclusive tendencies? He thought not, and he would attempt to point out some positive benefits to the banks from its adoption.

It would leave the State banks to operate upon their own means—upon the capitals which the respective State Legislatures had thought proper to give to them, and upon the funds derived from their private depositors. These means

would be perfectly certain and uniform, so far as they consisted of the capitals of the banks, and would be subject to no dangerous fluctuations, so far as they consisted of private deposites. Hence the action of the institutions could always be regulated by a certain standard—the extent of their means for the accommodation of their customers. This would discharge them from the inducement to those dangerous expansions and contractions, which not only promote, but cause, revulsions such as that under which the country now suffers.

The Government has been charged with being the cause of the present pecuniary embarrassments of the country, and he thought not without some foundation, but he considered the connexion between the Treasury and the banks the only foundation for such a charge. What had we done? We had deposited our funds in the State banks. A period of unexampled prosperity had visited our country. Importations had become excessive, and the duties thereupon had swelled the public revenue from that source beyond all reasonable anticipation. The banks received the excess of revenue which the wants of the Government and the public appropriations did not call for. The same causes promoted unusual and unexampled sales of the public lands, and thus, from both of the great sources of revenue to the United States, streams were poured into the public Treasury, widened and deepened by their own accumulation and velocity. The banks were safe-keepers of the public funds, the fiscal agents of the Treasury, and they were also the reservoirs from which the importing and other merchants drew their means, and from which the speculating purchasers of our immense domain were supplied with funds for their operations. So far as the Government was concerned, the consequences are obvious. The moment the revenue exceeded the wants of the Treasury, the excesses fed the passion they ought to have controlled. The banks were the receivers and the payers. They received, to keep for the Government, and loaned to the merchants and purchasers of our lands. The system, in fact and in practice, was one of indefinite credit for both duties and lands. The money paid for both went into the banks for safe-keeping. The Treasury did not want it or call for it for payment of the public dues. The banks loaned it to their customers, who were the payers for duties and lands. Under these circumstances, and this action of the system, excesses were inevitable, and they had visited their consequences sweepingly upon the country and upon the Treasury itself.

Ought not this state of things to be a lesson to the wise not to renew a connexion which had been so disastrous to every interest involved? To the Government and the public Treasury, as a creditor of the banks; to the banks, as debtors to the Treasury and creditors to the citizens: and to the people at large, and especially to the commercial community, as debtors to the banks.

That the times have promoted over-trading, and over-banking no one will deny; but that the connexion between the Government and the banks, and the forty millions of dollars of surplus funds in deposite with them, immensely increased the over-banking, is equally undeniable. It is not to be expected that the managers of banks will keep money without making profitable use of it, when that use is presented and urged upon them. This remark was not made in censure of the officers of the deposite banks. Their stockholders, and the community about them, knew that they were in possession of the funds; and the use would be demanded, nay, he might say commanded, had the officers of the institutions resisted. The evil lay further back. It was in placing and retaining the funds in the banks which the immediate calls upon the Treasury did not require.

The fault of the Government, however, did not stop here. We passed a law exacting from the banks interest for these funds, and thus not only sanctioned, but compelled, their use of them in their ordinary loans and discounts. Could a bank keep money, and pay interest upon it, and derive no interest from its use? Most certainly not, and we, therefore, compelled the banks, by our express legislation to promote the evils of which we now complain. We compelled them to loan our money in their hands for safe-keeping, by charging and exacting from them an interest for its use, and thus stimulated them to increase the excesses of over-trading and over-banking. We furnished them with a capital of some forty millions of dollars, and forced them to use it in making loans.

Can any thing more strongly, or clearly, show the impolicy to every interest of any connexion of a financial or interested character, between the local banks of the country and the Treasury of the nation? The imputations cast upon us, as having caused the present pecuniary embarrassments of the country, have this justice, and let us discharge ourselves from similar imputations for the future. Our real fault has been, not that we have unduly checked the excesses of the times, but that, in the outset, we promoted the expansions by the banks which necessarily led to those excesses, and that all our efforts, legislative, and executive, have been insufficient to avert the catastrophe which has now come upon the country. We see our agency in the mischief, when it is too late for us to apply a remedy. The incidental relief in our power, we have already offered to the country, so far as the action of this body is concerned, and now let us pass this bill, and protect ourselves against all imputation as wrong doers for the future.

A further benefit to the banks, to be derived from a continuance of the separation, is, that when they shall win the public confidence by their sound management and permanent means, they will possess and retain it, independent of public patronage, independent of any action of the Federal Government, and exempt from the fluctuations which congressional legislation or Executive discretion may otherwise cause. This is the description of public confidence which these institutions should possess and rely upon, and these should be its foundations. Its own capital, and the integrity and ability of its managers, should be the dependence of a banking institution; not the uncertain and changing patronage of any body, much less the fluctuating and dangerous patronage of Governments, State or National. A credit founded upon such patronage must be delusive. To-day you deposite with a bank a million of dollars; to-morrow it extends its accommodations upon the strength of your funds in its keeping: the day following its favored customers expand their business, and enlarge their credits; on the fourth day you require your funds, and draw upon the bank for them. Your deposite has given to the bank a false confidence in its means; its extension has given its customers a false estimate of its ability to indulge them; their expansion has given to the community false expectations as to their power of indulgence; and your call for your money undeceives all, after the mischief is done, the excess committed, and just in time to produce the derangement and distress and suffering which must always, sooner or later, follow excessive credits and mistaken confidence. The institutions which are to furnish to the people of this country a circulating paper to answer the purposes of money, ought not to be subjected to fluctuations of this description. Their love of gain ought not thus to be stimulated, and especially by this Government, which has none but an incidental control over their proceedings. They should be left by us to operate upon their own means, to rest their credit upon their own ability and good character, and not upon our funds.

But it is said the withdrawal from the State banks of our confidence, countenance, and patronage, in this particular, will prostrate and destroy those institutions; that the attempt

to separate the finances of this Government from them, is, in effect, a declaration of war against them, which they cannot survive. Is this, can this, be so? Will any sound and solvent State bank fail, because the United States does not entrust to it the safe keeping of the moneys of the people? Did the State Legislatures, in chartering these banks, expect or intend that their credit or solvency should be sustained by the legislation of Congress, or the use of the funds of the Federal Government. If so, why have they limited and fixed their respective capitals, and attempted to set bounds to their operations? Why have they assigned different amounts of capital to different banks, dependent upon their location and business associations? Certainly no other answer can be given to these interrogatories, than that they intended that each bank should have a capital equal to the wants of the business community surrounding it, and that all the banks of their creation should have a credit and confidence with the people, and should transact a business proportioned to the capitals granted to them respectively, and not beyond that limit. You, then, by making your deposites with these institutions, destroy the proportions which the State Legislatures have intended to establish and preserve. Your deposites are treated as capital by the banks, and an extension of their loans, and an augmentation of their business, beyond that which their own means would allow, is the necessary consequence of your patronage. Can this disposition of your moneys fail to promote excessive banking? The members of the State Legislatures have a knowledge of the business wants of all the places at which they locate banks, and their object is to measure the banking capital at any given point by the wants of business at that point. When they have done that, you come in with your deposites, distributed, not upon the basis which governs the State Legislatures, but according to your convenience for receipt or disbursement. The consequence is, that you pour your millions into these State institutions, without reference to the legitimate business calls for banking facilities at the points where your deposites are made; and thus derange and destroy the proportions, as to these facilities, which the local Legislatures have determined to be safe and proper. In this way your patronage becomes an evil, and not a benefit. It stimulates the cupidity of the banks, and they, in turn, stimulate the cupidity of the business community around them, until excesses on the part of all produces revulsion, distress, and bankruptcy.

Still it is urged that our withholding this evidence of our confidence in the State banks will destroy their credit, and prostrate the institutions. Will any one pretend that the States have rested the credit of their banking institutions upon the patronage or confidence of this Government? Can that man be found who will admit that, as a member of the Legislature of his State, he has voted for banks with the expectation that they must be solvent or insolvent as the pleasure of Congress shall determine? Will not every such man tell you that he has given to the banks, which he has aided to create, a capital stock upon which its solvency and credit with the people is to rest? That, with honest and prudent management, each bank has within itself, and under its own control, the elements of its own prosperity, and is not dependent upon your smiles, or to be ruined by your frowns? This ought to be so, and is so.

How was it with the State banks during the period from 1816 to 1836? The Bank of the United States then enenjoyed the exclusive privilege of keeping the public funds, and its notes alone were by law made receivable in payment of the public dues. Were the State banks discredited or ruined then? Was that separation between them and the funds of the Government treated as a war upon them, a war of extermination? No, sir. The operations of these institutions were never more stable or safe than during that period, nor did they ever stand stronger in the public confidence than then. Away, then, with the idea that the solvency or credit of the State banks rests upon our patronage or favor, or that our frown upon them is annihilation.

He knew that, were we to withdraw our confidence from a particular bank, and extend it to all others, the inference would justly be that we suspected its solvency and responsibility, and that this might do it injury. But when we separate ourselves from all banks, State or National, and declare our object to be a political as well as a financial separation, will it be said that we cast distrust upon the banks, which will destroy their credit? Will it be contended that the banks established by the States have a right to the safe-keeping and use of the revenues of the nation? He thought not; and if not, then could the separation of our finances from them be justly termed a war against them? No. The position was absurd and unsustainable. He had no feeling of hostility to the State banks; but he was not to concede their right to the possession and use of the moneys of the people, lest they should choose to consider a denial of the right an act of hostility. He would go as far as any man should go to protect these institutions in the full enjoyment of all their constitutional and legal rights; and he would go quite as far to compel them rigidly to fulfil their most sacred obligations to that confiding people who take their promises to pay upon demand as money.

In every light, then, in which he could view this matter, it was his deliberate opinion that the banks would be benefited, and not injured, by making the existing separation between them and the public Treasury perpetual. The passage of this bill, at this time, might have some tendency to weaken the confidence of the community in the institutions; but, if such a consequence must attend this change of our policy, could there be a better time than the present to make that change? The banks are now—he would not say insolvent, for he did not believe that was the condition of any large portion of them—but unable to pay the demands upon them. That fact was avowed by themselves, and known to all the world. They were in a *quasi* insolvent state, and all the distrust which could grow out of such a condition they had brought upon themselves by their voluntary suspension of specie payments. It was in vain, then, to talk of the delicacy of their present credit. That delicacy had been destroyed by their own act, and before they could ever again restore themselves to the confidence of the community they must be sound in fact, and able to discharge, to the fullest extent, every obligation which general distrust could bring against them. It was erroneous to suppose that they could ever resume and sustain specie payments until they were thus prepared and thus armed. They must build up for themselves a new character, based upon a perfect fulfilment of all their obligations. If, then, we are to separate from them, and that separation is to have any tendency to affect their credit, this is the very period when it is most desirable to them that the declaration of a perpetual divorcement should be made. Now it can do them no harm. They are already in a condition from which main strength alone can raise them; but at a time when their credit was unsuspected, and their operations unembarrassed and unimpeded, the measure might give them an injurious shock. Let it be done now, therefore, that, when they do rise, it may be distinctly known that they rise upon their own strength, unaided by our patronage, and untrammelled by our movements.

Mr. W. said he had touched but incidentally the question of the receptibility, or non-receptibility, of the notes of the State banks in payment of the public dues. He did not now propose to detain the Senate by remarks upon that point. The proposition affecting that question had not come from the committee, but from a member of the Senate in his place, and to him he should leave the discussion of that topic. For himself, he agreed with the views

of this matter which he understood his honorable colleague to take, that, in case the deposites were confined to the safe-keeping of the officers of the Government, it was a question of much less interest to the banks than seemed to be generally supposed. If the banks were not made the depositories, it could not be supposed that their notes, if made receivable, would be retained for any length of time in safe keeping. It would be a necessary result of this mode of keeping the public funds, that all bank notes received must be presented at short intervals for payment; and he could not see that it would be any very valuable favor to the banks, as a permanent system, to receive their notes merely for the purpose of immediate presentment and payment. In this respect, he was fully conscious that the change should not be precipitate or rash; most especially it should not while the heavy balances remain due to the Treasury from the late deposite banks. For this reason, the graduation provided for in the amendment proposed by the Senator from South Carolina [Mr. Calhoun] met his approbation; nor did he think time very material upon this point, and he should be willing to make the graduation even more slow than that proposed, in case any important interest would be favorably affected by further time. The preservation of the principle was what he wished, but he did not desire rashness or precipitancy in bringing it into practice.

He would now examine very briefly the influences which he supposed this measure would exert upon the currency generally.

It would give a stable and uniform value to the currency received into and paid from the public Treasury, in whatever portion of our widely-extended country the receipts or payments should be made.

It would also preserve the currency of the Treasury at the standard fixed by the constitution and the laws of Congress, and guarantied to all the citizens of the country, as the only currency they should be compelled to take in payment of debts.

It would stimulate, if not compel, the banks to elevate their paper currency to a level with the currency of the public Treasury, and would go very far to measure the public confidence in these institutions by the standard which regulates the currency received and disbursed by the Government. If they keep their paper up to that standard of value, it will have currency and confidence; and if they do not, it will have neither. There will be a rule for judgment which cannot err, because it will be a rule of intrinsic value, and not of paper credit.

In this sense, he deemed the measure of immense national importance. Hitherto the standard of currency fixed by the constitution had been, in practice, erected nowhere; while the banks, State and national, had been left to establish the standards of value in all quarters of the country, and these standards had been as various, at different points, as the fluctuations of trade could make them. The fiscal operations of the Federal Government had hitherto been made, to every practical extent, to follow the interests of the banks; and the uniformity of receipts and disbursements in the various portions of the Union had only been the uniformity of bank credits, and the uniformity in value of bank paper. It was high time that a more permanent standard, and one in conformity with the constitution, should be established. Congress alone could establish it; and Congress, in his judgment, could only establish it in connexion with the receipts and disbursements of the public revenue, and to the extent of those receipts and disbursements. He hailed this measure, then, as one calculated to produce this great reformation, and to bring us back to the starting point of 1789. With these feelings he advocated it, and hoped for its passage.

A further beneficial tendency of this measure will be an extension of the specie basis for our broad paper circulation. This is admitted by all to be a matter of indispensable necessity. Who, then, should contribute to it, if not the Federal Government? Are the banks expected to do it, when it is in the very face of their interests to promote the circulation of the metals? Are the States to do it, when they cannot "coin money, or regulate the value thereof!" Whence is this great good to the people of the country to be derived, unless Congress shall bring its powers to aid in the work? And how shall Congress accomplish this purpose but by the receipts and disbursements of the public revenue?

The adoption of such a system by Congress would constitute a point, in the broad field of our currency, exempt from the fluctuations and revulsions to which a currency of credit must be always subject. It would be a fortress to which public confidence would retreat in times of trouble, and within which it would remain uninjured, however violent the convulsion which should shake the monetary world. Now we were without any such rock of safety. The storm, which was now sufficiently powerful to agitate the great ocean of credit, shook alike the Treasury of our country and the humblest bank. This ought not so to be. The finances of a rich, and powerful, and prosperous nation, ought not to be subject to these fluctuations. They ought to be exempted from the reverses and revulsions to which private cupidity will always subject the business of an enterprising people. Place them upon the basis of a currency of intrinsic value, and you accomplish this great object. Leave them to stand upon the credit of banks, and you ensure the recurrence of a crisis like the present, when, with abundant means in account, your Treasury is destitute of means at command.

But we are told that the passage of this bill will establish one currency for the Government and its officers, and another for the people. This argument had been repeated from various quarters of the House, and he was disposed to consider it as advanced in all candor and sincerity, and to reply to it in the same spirit.

He must premise, however, that he could not comprehend this mode of treating the Government and the people of this country as separate interests, much less as antagonist interests. He had supposed that our Government consisted of mere servants of the people, charged in their several stations, with the execution of the will of the people; and that, beyond the execution of that temporary trust, the officers of the Government were, to the extent of their numbers, the people themselves, and one with them in feeling and interest. How, then, would it be possible to create or establish a currency which, properly and practically speaking, should be a currency for the Government, and should not, at the same time, be a currency for the people, was entirely beyond his comprehension. The officers of the Government principally reside in the country, and among the people. They receive their compensation, whatever it may be, from the people, and the expenses of themselves and their families are paid, like those of other citizens, to the people from whom they purchase and with whom they deal. The currency they receive from the people as a compensation for their services, they must pay to the people in discharge of their debts; and how a currency thus employed, received from the people and paid back again to the people, could be a Government currency as contradistinguished from the currency of the people, he must again repeat, he could not at all comprehend.

But he would look at the argument in another aspect. It necessarily presupposes that a better currency is to be secured to the Government and its officers, and a baser for the people. The currency proposed to be secured to the national Treasury is gold and silver, or their equivalent. The currency which the argument assumes the people are to have, is bank paper. What, then, do those who use the argument assume? Most certainly that the currency

of bank paper is always to be baser than the currency of gold and silver; because if the currency of paper be equal in value to the currency of gold and silver, then the argument has no force, as urged, to show that the Government and its officers are to be preferred in our legislation to the people at large. Taking the argument with this assumption, and in what predicament do those who use it place themselves? They, by their own assumption, urge us to adopt, by a law of Congress, a standard of currency for the Treasury of the nation baser than gold and silver, to avoid the invidiousness of giving to ourselves a better currency than the people are to have. Has this argument been well considered, and its consequences duly weighed? He thought not, or it would not have been presented.

Gentlemen might suppose it popular to talk about the currency of the people as base and depreciated, but they would permit him to ask, to whom are the people to look for an elevated standard of currency—for a standard of currency such as is guarantied to them by the constitution—if not to Congress? Shall they look to the banks? The complaint of the argument is that the banks are to furnish them a base paper currency, while the Government secures to itself a currency of gold and silver. Are they to look to the States? They have no power to fix a standard of currency even for their own citizens, much less for the nation. They must, then, look to Congress and to the constitution. And what shall Congress do to promote the interests of the people in this matter? Fix a standard of value baser than that which the constitution has guarantied to the people? Adopt bank paper as the standard of value of the country, for fear that the Government will have a better currency than the people? Can the people ever have a better currency than the Government, so long as the regulation of the standard rests with the Government? Most certainly not. If we adopt a standard baser than the coins, the people cannot elevate it. If we keep our standard upon the level of the constitution, the people can compel the banks to come up to that standard, because no law can obligate them to receive the paper of the banks, or to give to them their confidence, and they will, of course, do neither, unless the banks furnish them a currency equal to the legal standard of the country; but, adopt by your legislation a baser standard than gold and silver, and do you think—does any one think—that the banks will furnish a better currency for the people than you prescribe for the public Treasury? No, sir. The supposition would be absurd. If you do not fix and maintain a proper standard of currency, none can exist in the country. If you adopt and adhere to the constitutional standard in your transactions, the influence of your example will be all-powerful with the banks, and with all future State legislation, in regard to them.

The Senator from Massachusetts [Mr. WEBSTER] manifested some alarm, lest the officers of the Government should be set down at the first table, and the people left to supply themselves at the second. He was one of those who claimed to be as democratic as the honorable Senator, and as unwilling to degrade our masters the people, but if the cook were to supply the first table with base food, in order that the master of the mansion might sit at it with the servants, he could not believe that the honor of the situation would compensate for the unwholesome character of the bill of fare. Would it not better comport with the duty of a faithful servant to provide sound, healthful, nutritious food for every table, and thus enable the master to consult his pleasure, as to which he would be fed from, without danger to his health. True, if bad food were not provided and cooked, the servants could not eat bad food; but it was as true, that if sound food were not provided, the master could not have sound food, whatever table he might choose it from. If we do not provide a sound standard of currency; our masters, the people, cannot enjoy a sound currency, for to us, they have entrusted the duty of selecting and establishing that standard. We act for them, and not for ourselves, and the standard of currency we adopt for the public Trearury, is adopted for them, and not for us.

Another argument, very nearly allied in character to the last, is urged against the passage of this bill. It is said its effect will be to raise the salaries and compensations of the public officers. Some have stated the increase to be equal to ten, some to twelve and a half, and he believed he had seen some statements raising it as high as twenty per cent. upon the present compensations. What foundation had this argument? The same as the former. It went upon the assumption that the currency of the country was now, and was always to remain, base and depreciated. That a dollar of currency was not, and was not to be, equal in value to a statute standard dollar. Look at the position in its true light, and its fallacy will be instantly manifest. The compensations of all public officers are fixed by law. Take our own compensation for example. We are to receive a given number of dollars per day for each day of our service. This is the contract between us and the people. How, then, are we to be paid? Are we to have eight dollars for each day we occupy these seats, or are we to have eight promises of some bank to pay, which are worth but four dollars? Does any man doubt which was the intention of the law? Will any man contend that we are overpaid, if we receive eight dollars in gold or silver, as the value thereof is regulated by Congress? Will not all admit that we are not paid according to the law unless we receive that value? But, say gentlemen, gold and silver bears a premium in the market, and, therefore, any given amount paid in the standard coins of the country is overpaid to the extent of the premium upon the coins. Here rests the error. The premises are false, and the conclusion, therefore, falls to the ground. Gold and silver does not, and cannot, properly speaking, bear a premium. An American silver dollar can no more be worth one hundred and ten, or one hundred and twenty-five cents, in this country, than a standard pound can weigh a pound and a quarter. The one thing is as impossible as the other. Both are themselves standards, the one of value, and the other of quantity; and the former can no more vary than the latter. The dollar is worth exactly one hundred cents. It is the measure of that value, and cannot be worth either more or less than that sum. It is itself the par of money. Whatever is above it bears a premium, and whatever is below it is at a discount. This error in computing the value of money, and the value of our paper currency, is so universal that it is not singular this argument should appear plausible to most minds, without a somewhat close examination. All the statements we see published adopt the value of the paper as the par of money, and, because the gold and silver are more valuable, and command a higher price in the market than paper, they are said to bear a premium. The error arises from adopting an erroneous standard for the par value. The paper is not par when gold and silver are worth more than it. They are the par, and the paper is depreciated. A moment's reflection will show every man that this is the true position. Why, then, it will be asked, are not the statements of the market value of our currency, daily published to the country, made upon the true, and not upon a false basis? The boards of brokers, and bankers, and dealers in money would probably be able to account for the manner in which these statements are made. It is much more acceptable to them, and doubtless much more favorable to the circulation and credit of the depreciated bank paper, to use it as the par, the standard of value, and to present gold and silver at a premium, as being actually worth a tenth beyond its statute value, its value as a tender in the payment of debts.

A single fact which transpired in this city but a day or two since will show the practical effect of this mode of com-

puting the value of money. A member of the Senate, within the last few days, related to me the following incident: The Senator stepped into a shop upon the Avenue to purchase some small article. The price was given to him by the shopkeeper at eighty-seven and a half cents. He presented a dollar in silver to make payment, when he was informed that the price was given at eighty-seven and a half cents under the expectation that payment would be made in paper, in "shin plasters," as they are called, and that it was but seventy-five cents if paid in specie, and he received a quarter of a dollar in change and the article he desired. Was this difference of price a premium upon the silver? No, sir. It was an addition to cover the depreciation of paper. The seventy-five cents was the value of the article in money. The eighty-seven and a half cents was the value in depreciated paper. This little incident shows us the tax which would be imposed upon the public creditors, including the officers of the Government, if we were to pay them in a depreciated currency. It shows us that we should, at once, sink their compensations about one sixth, as that would be the additional charge against them for every necessary of life, because they must make payment in a currency so much depreciated. It shows us also the immense tax which the whole community must pay so long as they are compelled to use a base currency; and shall we then be urged to adopt a standard of currency for the public Treasury below the value of gold and silver?

A third argument against the passage of this bill, urged with great zeal and earnestness by those who put it forth, is, that it will extend most fearfully the Executive patronage of this Government; that it will tend to strengthen the Executive arm, to the danger of public liberty itself. He would examine concisely this startling objection. The bill creates no new officers. It proposes to entrust the safe-keeping of the public funds with the officers who now collect them. These officers are all appointed by the President and Senate, by the President alone, or by the heads of some one of the Executive Departments. They are all public officers of the Government, responsible to it, and to the people, for their official acts. They are all now removable at the pleasure of the President. The bill does not propose to change the mode of their appointment, or to increase their liability to dismission from office by the Executive. In what way, then, does it increase the Executive power over them, or strengthen that arm of the Government for good or for evil? He would take a case, the more clearly to illustrate his views: The collector of the port of New York, a place of high trust and responsibility already, and to be made much more so if this bill becomes a law, is appointed by the President, by and with the advice and consent of the Senate; he is removable at the pleasure of the President, without cause, either proved or assigned; this is the relation of that officer to the Executive branch of the Government under the existing laws. Does the bill before us propose to change that relation? Not in any way whatever. It merely proposes to make that officer keep and disburse the money he collects, instead of handing it over to a bank for safe-keeping; and it will require that he should strengthen his official bond and sureties to meet the increased official responsibility. But would any gentleman explain to him how the power or influence of the Executive over the officer was to be increased by these proceedings. That power and influence could only be exerted in reference to his appointment to, or removal from, office; and the existing law upon that subject was not to be changed. The office was made no more valuable by this addition of duty and responsibility, and, therefore, the bill would cause no increase of a desire for the possession or retention of it.

It was a mistake, then, of fact, that the Executive patronage was increased, or the Executive arm strengthened, by the provisions of the bill. It was a delusion, which gentlemen had permitted their imaginations to practise upon them, which had no foundation in the proposed law. This would be rendered more apparent by the fact that this argument was most urged by those who preferred a return to the system of deposites with the State banks. Had any gentleman, who had occupied a seat here for the last few years, or who had turned his attention at all to the proceedings of Congress since the public moneys were transferred for safe-keeping from the late Bank of the United States to the State banks, forgotten the vivid pictures daily drawn upon this floor, of the immense stride which had been taken by the Executive power in the adoption of that system of deposites? Were we not constantly told of the army of bank agents, bank officers, and bank directors, persons unknown to the constitution and the law, and not responsible to Congress or the people, which that system had brought within Executive influence, and engaged in the service of the Executive? Who did not then feel that there was some force in these remarks? And who that was a friend to the then administration did not struggle incessantly to procure the passage of some law which should bring that system of deposites within the power and control of Congress? And are we now to be urged to return to that system, to re-enlist that numerous body of bank managers, and reconnect them with the Executive branch of the Government, to prevent an extension of Executive patronage and power, by the simple employment of officers of our own appointment, directly responsible to the people, and to the representatives of the people here? The position was absurd. It was to urge us upon the very evil we were cautioned to avoid; to embrace a danger existing in its worst form to discharge ourselves from one of a merely imaginary character.

No, sir; if gentleman would take a calm and dispassionate view of this subject, they would see that the bill would increase immensely, fearfully, the Executive responsibilities, not the Executive power. If the system proposed be adopted, the people will hold the President responsible for his selection of the officers to be entrusted with the safe keeping of the treasure; and they will hold the head of the Treasury Department responsible for an incessant and sleepless vigilance over these depositaries. This will be the influence the bill will exert upon the Executive branch of the Government. It will throw upon the Executive officers a great increase of care and responsibility—not an increase of power or influence.

Indeed, so strongly had this increase of responsibility, even upon the minor Executive officers, impressed itself upon the mind of one of the gentlemen who had addressed the Senate, [Mr. Rives,] as to induce him to entertain the apprehension that men of proper character, standing, and responsibility could not be found willing to accept the trusts. For himself, he was almost ready to say that he wished he could entertain more apprehension upon this point than the argument of the Senator had inspired him with. He had no fear of living to see that period when the lucrative and honorable and desirable offices of this Government would go begging for incumbents; when candidates, of the most unquestioned qualifications, in every sense, would not voluntarily present themselves, and conflict with each other for the places. At points where the emoluments of office did not present adequate temptation, the collections must be small, and the trust light; so that he was at perfect ease upon this point, and had only alluded to it to enforce his own position, that the bill was calculated to increase Executive responsibility, not to extend Executive power.

A fourth argument against the bill claimed a passing notice. It was that it would work the entire destruction of credit in the country. This appeared to him to be, most clearly, an objection springing from an excited imagination. What were the premises from which this frightful conclusion had been drawn? State them in their worst

form and utmost extent, and what are they? That the Government of the United States was, hereafter to confine the safe keeping of the public moneys to the hands of its own officers, and was gradually to discontinue the receipt of bank notes in payment of the public dues. Those were the things proposed to be done. The effect of such a policy upon the credit and business of the local banking institutions of the country he had already fully discussed; and, to his own satisfaction, had shown that its adoption would promote, and not injure, the usefulness of those institutions, considered in the light of public institutions, founded for the benefit of the people at large, and deserving credit and confidence precisely in proportion as they should confine their operations within the fixed means, and should discharge faithfully and promptly all the obligations imposed by their charters. In this light only was he disposed to discuss the claims of the local banks upon the country, or the confidence of the people. The profits of the corporators was not a consideration to enter into a discussion like the present. It was a mere consequence of the faithful discharge of one of the highest trusts which any Government could delegate, the trust of making a currency for the people of the country; and if he had succeeded in showing that this trust could be more safely and perfectly executed without than with a fiscal connexion with this Government, he had accomplished his object, and proved that the just credit of these institutions was not to be injuriously affected by the bill.

Who would contend that its provisions were calculated to injure any other description of credit? Would not wealth and integrity receive the same confidence with the community, whether the funds of this Government were kept in the State banks, or in the hands of the officers of the people? Would not industry and enterprise gain the same esteem, and command the same credit, wherever the Government should choose to place its strong box? Would neighbor cease to trust and confide in neighbor, because bank notes were not to be received in payment of the public dues? Certainly not. The picture was an imaginary one, and this consequence of the passage of the bill, upon the credit between man and man, was not to be apprehended. It was the objection of an excited mind, and not of sober reason.

An argument of a character very similar to that last noticed, had proceeded from the same source. It was, that the passage of this bill, the separation of the funds of the Government from the banks, and the gradual suspension of the receipt of their paper in payment of the public dues, would lead to a universal and exclusive metallic currency for the whole country in all its business operations. That it would lead to a currency equal in value to gold and silver, and convertible into gold and silver at pleasure, he hoped and believed. But that it would destroy the State banks, and send us back to an exclusive metallic currency, there was not the slightest reason for believing. If he had not labored in vain, in a former part of his argument, he had shown that the effect of this policy would be favorable to the banks, favorable to the certainty of their means, to a safe measure for their operations, and to the stability of their credit and confidence with the people. If these positions should prove to be true, there was no just fear that the banks would be destroyed, or that banks chartered by the States would not continue to exist. And surely, while banks of issue were in operation in the country, no one need fear the prevalence of an exclusive metallic currency; for nothing was more certain than that bank paper and gold and silver of equal denominations could not circulate together. The paper might be made, for the general purposes of business, of equal value with gold and silver; but while the one was the promise of a bank to pay, and the other the means by which alone that promise could be redeemed, and while it was the direct interest of the bank that the promise should take the place of the real value, and circulate in its stead, the one would be withdrawn from circulation and hoarded, and the other would be scattered upon the wings of the wind.

His fear was, that the whole operations of the public Treasury would be inadequate to furnish a sufficient specie basis for our paper circulation. What were those operations in the aggregate, compared to the monetary operations of the country? The Senator from Massachusetts [Mr. WEBSTER] had said they were estimated at from one and a half to two per cent. Call them two per cent.; call them five per cent., and will they distribute a quantity of the metals sufficient to sustain the immense superstructure of paper, amounting to the remaining ninety-five or ninety-eight per cent.? And from what other source were we to look for an extension of our specie basis, if not from the operations of this Government? Here then was the fear, and not that too extensive a metallic currency would be diffused among the people.

He would notice a single other objection to this system, and close his remarks upon this branch of the subject. It had been said that its effect would be to hoard vast amounts of cash capital from the uses of business. How far was this effect to be anticipated? When the revenues of the country were made to bear a just relation to its expenditures—a relation which he hoped our recent experience would induce us most rigidly to preserve for the future—there would be nothing to hoard, in the practical sense of that term. We should receive with one hand, and disburse with the other. The payments into the public Treasury, and the payments out of it, would be made in the same description of currency; and what was taken from the uses of business by the receipts, would be given back to those uses in the disbursements, without material delay. It was true that the great extent of our territory, the great number of points at which both receipts and disbursements were to be made, and the wide distance of their locations from each other, and from the Treasury here, keeps a large sum in suspense, and in transitu, during the whole time. That sum might be liberally estimated at from three to five millions, and it was the whole amount which the ordinary operations of the Treasury would, in any sense, hoard—the whole amount which it would withdraw from the uses of business, when the revenues and expenditures of the Government should be justly measured together. This same sum was now exactly similarly employed, and was suspended in the deposite banks to await the presentation of outstanding drafts: that is, it would be so suspended if the banks were in a condition to fulfil their obligations, and meet the drafts of the Treasury in specie or its equivalent.

But it might be said that, when our revenues should again become abundant, and exceed our expenditures, so that another surplus should accumulate, this system of deposites would necessarily lead to hoarding. This consequence he most cheerfully admitted, and he considered it one of the strongest merits of the system. He hoped never again to see the time when a surplus revenue should afflict us; but if that time did ever again come, it must proceed from an excess of importations, and a renewal of the speculations in our vast public domain. In that case he wished to see the excess of the revenue hoarded, closely locked up from the uses of the trading community, as the most efficient, speedy, and certain check to the overtrading and speculations.

What, he would ask, would have been the surplus of revenue during the late excesses, had the accumulations of money in the public Treasury, paid for duties and lands, been hoarded then, and not surrendered to the uses of the customers of the banks? That surplus, under the system of deposites then in use, reached an amount beyond forty millions of dollars? Does any one suppose it would have reached one-third of that sum, if the gold and silver had

been demanded in payment of the public dues, and closely locked up in the public depositories? No, sir: a pressure upon the money market would have been produced, and the excesses arrested before you would have hoarded ten millions of coin by this process? What an infinite benefit to the country would have been produced by such an action. We should have been saved from the almost incurable evils of a surplus revenue, and of its practical distribution among the States of the Union; and, what would have been of far more importance, we should have been saved from this tremendous revulsion, which the excesses of credit have brought upon us.

What, sir, has been our own agency in this national calamity? Our revenue was accumulating millions upon millions beyond our wants. We placed it in the banks for safe keeping, exacted from them interest for its use, and thus compelled them to make loans upon it in the ordinary course of their business. It was a time of plenty, and their own means were full, but yet they must use ours to indemnify them for the use which the law compelled them to pay. Could any system have been better devised to promote the excesses of which we now complain. Every dollar collected toward the public revenue added, not one dollar simply, but, being used as capital, two or three dollars to the loans which the cupidity of the banks stimulated them to make. Hence the evil, so far as the funds of the Government were concerned, promoted its own increase, and so it must ever be while the banks are made the depositories of the public moneys. Should we not, then, dismiss the idea that a hoarding of capital is to be a dreaded evil of the proposed system; so regulate our legislation that the revenues and expenditures, in times of stability and regularity of business, will meet each other; and desire to hoard, when excesses in trade, or credit, or speculation, threathen to disturb the healthful equilibrium of the currency, and to plunge us into reverses such as we are now experiencing? For himself, he had no hesitation upon the subject. If a regulator of the general currency of the country was within the power of Congress, he thought this that regulator, and this action of the proposed system of separation from the banks seemed to him to be more valuable than almost any feature in it.

In addition to the remarks he had made, and the objections he had attempted to answer, he found it to be his duty to notice a single feature of the bill which had been the subject of much apprehension and criticism. He referred to the provision for the public moneys in the hands of the depositaries proposed to be established. The committee had here introduced a guard of a most rigid character, new to him, and he believed new to our laws. It was that of making a use of the moneys a criminal offence, punishable by fine and imprisonment, in addition to the usual pecuniary liabilities. Their object was to draw the characters of the officers into security for the public, and to interpose that guaranty against an abuse of their trust. He considered this feature of the bill of vital importance to its successful operation, although the usual provisions for sureties and pecuniary liabilities were full and complete without it.

The Senator from Delaware [Mr. Bayard] had expended much of his argument in showing that the public funds would be insecure in such keeping; and, to fortify himself in his position, he had exhibited to us the long list of defaulting public officers which is annually laid before us, and which comprises every defaulter from the commencement of the Government to the present day. This was a part of the history of our country most unpleasant and painful, and he could not dwell upon it with any pleasure; but the Senator, in bringing it to his aid upon this occasion, seemed to have forgotton that all these defalcations had happened under an established system of bank deposites, State or national; and, therefore, did not go a step to show either the danger of a permanent keeping and disbursement of the public moneys by the public officers, or the greater security of a system of deposite in banks than of a keeping by the officers themselves. The cases cited did go to show that there would sometimes be defaulting officers; and he did not flatter himself that the present bill, or any other which human ingenuity could form, would constitute a perfect exemption of the Government from such losses, or a perfect security to the public funds in any condition. One thing, however, was clear, and would be conceded by all, which was, that the depositories proposed to be established by this bill would not all fail at once, and thus effectually block the wheels of the Treasury, with an abundance of means in its possession, in case those means could be commanded. Such was its present condition under the system of State bank deposites. With millions in the banks, the Treasury had not a dollar at command, and is now, at this moment, compelled to resort to the public credit to carry on the Government. No such revulsion to the Treasury could be experienced under the system of deposites proposed to be adopted; and even if we should occasionally lose a small sum by a defaulting officer, we should not be driven to the expense of extra calls of Congress in consequence of such defaults.

He would not detain the Senate, to add any thing further to this branch of the argument. The President, in his message, had placed the ordinary aspect of the subject too clearly before Congress and the country, to admit of confirmation by any thing he could add to these forcible and practicable views.

This cloued the examination he proposed to make of the plan of the administration, for the exercise of the incidental powers of Congress over the general currency of the country, and of the prominent objections to that plan; and he would now pass to the alternatives proposed by those who differed from the President.

The first of these, was the plan proposed by the honorable Senator from Virginia, [Mr. Rives,] which, in substance, is a return to the system of State bank deposites, connected with the general receptability, upon certain conditions, of the notes of the State banks in payment of the public dues. What he had already said in reference to the administration plan, would excuse him from any further discussion of this proposition, than what related to its limitations. The proposition was, in substance, similar to one formerly introduced into this body by the same distinguished Senator, and upon that occasion it underwent a full discussion. It was not, therefore, a proposition new to the body; but as he had not taken part in its discussion then, and as it was now brought in conflict with a system he approved, he felt it to be his duty to test its efficiency to accomplish its proposed objects.

Those objects seemed to be two; the first of which was to strengthen and sustain the State banks, and facilitate their return to specie payments; and the second, to extend and strengthen the specie basis for the paper circulation of the banks, by expelling from circulation small bank notes.

The first object was proposed to be accomplished by a continuance of the public deposites with these banks, and by making their notes, when redeemed with specie, receivable in payment of the public dues. He had already discussed both these points, as fully as he proposed to do it, under the head of the influence upon the banks of the passage of the bill before the Senate. He had there given his reasons for the opinions that even a connexion, as depositories, between the State banks and the national Treasury, was injurious to the banks; that if the connexion as depositories did not exist, the receptablity of the notes of the banks in payment of the public dues was a matter of little practical interest to them, because the notes so received must be immediately presented for payment, and could not be permanently retained in safe keeping; and that if the

separation between the banks and the Treasury was to be made perpetual, the present was the most favorable time, so far as the banks are concerned, to make that declaration.

It therefore remained for him simply and concisely to examine the efficacy of the Senator's plan to exclude small notes, and extend the circulation of specie.

These two great objects were proposed to be accomplished by the enactment that no note of any State bank should be received in payment of the public dues; which bank should, after a specified day, issue notes below a specified denomination. The restriction is made to commence at the passage of the act, with a limitation of notes not below five dollars; after the year 1839, no notes are to be issued below ten dollars; and after the year 1841, no notes below twenty dollars; and the receptability of the bank paper by the public Treasury is made dependent upon an observance by the banks of these restrictions. No alteration of the present bank deposite law is proposed; and that compels the banks, as a condition of their participation in that patronage, not to issue notes below the denomination of ten dollars. Neither the deposite law, nor the proposition of the honorable Senator, appeals to the controlling power of State legislation to make them effective. Neither could do so with propriety, as both are mere regulations of federal legislation, addressed to the interests of the State banking institutions. This address to such institutions is always the safe one, so far as their power of action is within their own control; for no principle can be more safely depended upon than that a moneyed incorporation, by whatever authority brought into existence, will govern its action by its interests.

It is in this single sense, then, that the practical results to be expected from the adoption of the plan of the Senator from Virginia are to be examined. How far will the interests of the State banking institutions of the country induce them to subject their action to his proposed restrictions? The inducement offered is the receptability of their paper in the payment of the public dues. The disability is that of issuing no small notes. He had before suggested, as the result of his reflections, that, unaccompanied by a portion of the public deposites, the receptability of the notes of a local bank in payment of the public dues was a very trifling, if not a very questionable, boon. That impression confidently remained. He therefore concluded that the interests of no banks would induce them, voluntarily, to subject themselves to the restrictions proposed, except such as should be selected as depositories. The value of this patronage would be greatly impaired, if the notes of the deposite banks were not so receivable. These institutions, therefore, would bring themselves within the restrictions and within the benefits of the system. What, then, would be the effect, in practice, upon the currency of the country? There are now some eight hundred State banks in organization. The greatest number selected under the deposite law was about one-tenth of the whole; and it is known at the Treasury, and will be readily seen by all who will make a practical examination of the subject, that one of the greatest evils of that law was the large number of banks which its provisions compelled the Secretary of the Treasury, in the then bloated state of the public funds, to select as depositories. From thirty to forty is the largest number which the convenience of the receipts and disbursements, and the safe management of the public funds, can ever require. But suppose the highest number heretofore employed should be retained. Still we should have more than seven hundred banks not submitting themselves to the proposed restrictions, and consquently not restrained, except by their charters, from the issue of small notes. Go farther, and suppose that the interests of one-half of all the banks of the country should induce them to come within the provisions of the proposed bill. The field for the circulation of small paper would only be made richer for those which did not come in, and until the established laws of currency be radically changed, and silver dollars and half eagles can circulate in common with one and five dollar bank notes, the four hundred banks would make much more from this circulation, than from any additions we can make to their business by receiving their notes. The inducement which the proposition holds out, is wholly inadequate to the accomplishment of the objects proposed, and not a dollar will be add- to the specie circulation of the country under it. These considerations rendered this plan less desirable to him than that proposed by the President.

True, it might be said that the plan of the President did not act upon the banks by way of restraint upon the amount or description of their issues. It was true, as to the description of their issues, that was left to State legislation, the source from which they derived their existences, and to which belonged the limitation of their powers, so far as they were to be limited by legislation. The plan of the President sought to act upon these institutions in a different way, and by a more powerful lever. Specie was their life-blood; and the creation of a demand for it was the only efficient control over them. Bring the public revenues, then, to a specie standard, and you most effectually limit the amount of issues of the banks, so far as your operations can impose such a limit. Make your disbursements in gold and silver; and although the small bank paper will displace it, your continued and perpetual action will draw the same specie again from the banks, and will thus keep an amount, equal to your receipts and disbursements, in a constantly active state. In this way alone, in his judgment, is it in the power of this Government to expand the specie basis for our immense paper circulation.

He could not see that the action of the bill proposed by the Senator from Virginia would accomplish this object, while it did appear to him that a perfect separation from the banks, and a gradual return to a metallic currency for the operations of the national Treasury, might reach it.

The only other alternative which had been presented was a national bank. No distinct proposition, in a legislative form, for such an institution, was before the Senate; but the debate had developed the fact that such an institution was the favorite alternative of a large minority of the body, and therefore he made this allusion to it. It was not his purpose to discuss it in any manner. In the absence of any distinct proposition, and after the recent expression of the Senate upon that point, he could not feel warranted in taking the time even to reply to the arguments which had been advanced in favor of this plan. The whole subject had constituted a topic of constant discussion before the country for years, and he could not hope, at this late day, to give any new ideas upon it to the Senate, or to the public.

He had upon his notes several other replies which he had intended to make, but the lateness of the hour, and the full discussion which every important point in the debate had received from others, would induce him to omit them, with a single exception.

The honorable Senator from Virginia [Mr. RIVES] had seemed to suppose that nothing had transpired to weaken the confidence of those who had formerly favored the system of State bank deposites. He was one who had favored that system, when it was adopted by the Executive in 1833-'4. He then expressed his confidence in the ability and fidelity of the State banks to discharge the trusts confided to them. At that time he entertained fully and honestly the confidence he expressed in those institutions. Their subsequent conduct had gone far to convince him that his confidence was excessive and misplaced. He would not say that that system of deposites had entirely failed, as that seemed to be a point of debate and question,

but he would say that the banks had failed to comply with their obligations; that both the Government and the people had been reduced to extremities by this failure on their part; that we found ourselves here, at this unseasonable period, in consequence of it; and that, in view of these facts, he heard with some surprise, the declaration, confidently pronounced, that nothing had taken place to authorize a change of opinion as to the safety of that system.

He had been repeatedly published to the country as grossly inconsistent, for supporting and sustaining that system of deposites in 1834, and for failing to support it now. He did not feel the force of the charge; but, whether inconsistent or not, when convinced of his error, he was most cheerful to retract it. Time had shown that he then possessed a confidence in the banks which they had not sustained, and which he was bound to presume they could not sustain. Was he, for the sake of consistency, or for any other cause, to assume to entertain his former confidence, when every foundation for it had been swept away, by the voluntary action of the banks themselves? No, sir, such was not his course. He left the defence of such a position to those who could see no difference between sound specie paying banks, and banks which refused to pay specie upon their promises; between banks which promptly, upon demand, fulfilled all their obligations to the public and the national Treasury, and banks which complied with their engagements to neither.

Mr. Wright occupied the floor until near 4 o'clock. When he had concluded,

Mr. CALHOUN moved that the Senate adjourn; he subsequently withdrew his motion at the suggestion of Mr. Walker, who moved to take up the resolution relative to

THE ADJOURNMENT,

As amended by the House of Representatives, viz: to strike out the 9th and insert the 16th October.

Mr. HUBBARD expressed his dissent from the amendment. He thought the 9th was the proper time, and it was well known that, when the day was definitely fixed, there was always a better disposition to get through the business. He therefore hoped the Senate would adhere to the resolution as originally passed.

Mr. GRUNDY was for concurring with the House in their amendment, and giving them to the 16th. It was well known they were behind the Senate in legislation, and it was but reasonable to concur.

Mr. KING, of Alabama, thought it would be better to wait a day or two before acting on the amendment. If the bill under discussion before the Senate were passed, the 16th would not be time enough for the other House to act on it; on the contrary, if it were not passed, the 9th would be the proper time for adjournment. He would prefer that the matter be laid on the table, though he would not make a motion to that effect.

Mr. BUCHANAN asked gentlemen to consider what might be the effect of sending back the resolution. We might then be kept until the 29th of October, or probably not adjourn at all. He thought, therefore, the Senate had better concur at once with the amendment.

The question being taken on concurring with the amendment of the House, it was carried; and

The Senate then adjourned.

Tuesday, October 3.

SUB-TREASURY BILL.

The Senate resumed the consideration of the bill to provide for the collection and keeping of the public money, with the amendment offered by Mr. Calhoun.

Mr. CALHOUN rose and said that, in reviewing this discussion, he had been struck with the fact that the argument on the opposite side had been limited, almost exclusively, to the questions of relief and the currency. These are, undoubtedly, important questions, (said Mr. Calhoun,) and well deserving the deliberate consideration of the Senate; but there are other questions involved in this issue, of a far more elavated character and commanding control, and which more imperiously demand our attention. The banks have ceased to be mere moneyed incorporations. They have become great political institutions, with vast influence over the welfare of the community; so much so, that a highly distingnished Senator [Mr. Clay] has declared, in his place, that the question of the disunion of Government and the banks involved in its consequences the disunion of the States themselves. With this declaration sounding in our ears, it is time to look into the origin of a system which has already acquired such mighty influence; to inquire into the causes which have produced it, and whether they are still on the increase; in what they will terminate, if left to themselves; and, finally, whether the system is favorable to the permanency of our free institutions, to the industry and business of the country; and, above all, to the moral and intellectual development of the community. I feel the vast importance and magnitude of these topics, as well as their great delicacy. I shall touch them with extreme reluctance, and only because I believe them to belong to the occasion, and that it would be a dereliction of public duty to withhold any opinion which I have deliberately formed on the subject under discussion.

The rise and progress of the banking system is one of the most remarkable and curious phenomena of modern times. Its origin is modern and humble, and gave no indication of the extraordinary growth and influence which it was destined to attain. It dates back to 1609, the year that the Bank of Amsterdam was established. Other banking institutions preceded it, but they were insulated, and not immediately connected with the systems which have since sprung up, and which may be distinctly traced to the Bank of Amsterdam. That was a bank of deposite; a mere store-house, established under the authority of that great commercial metropolis, for the purpose of safe-keeping the precious metals, and facilitating the vast system of exchanges which then centered there. The whole system was the most simple and beautiful that can be imagined. The depositor, on delivering his bullion or coin in store received a credit, estimated at the standard value on the books of the bank, and a certificate of deposite for the amount, which was transferable from hand to hand, and entitled the holder to withdraw the deposite on payment of a moderate fee for the expense and hazard of safe-keeping. These certificates became, in fact, the circulating medium of the community, performing, as it were, the hazard and drudgery, while the precious metals, which they in truth, represented, guilder for guilder, lay quietly in store, without being exposed to the wear and tear, or losses incidental to actual use. It was thus a paper currency was created, having all the solidity, safety, and uniformity, of a metallic, with the facility belonging to that of paper. The whole arrangement was admirable, and worthy of the strong sense and downright honesty of the people with whom it originated.

Out of this, which may be called the first era of the system, grew the bank of deposite, discount, and circulation—a great and mighty change, destined to effect a revolution in the condition of modern society. It is not difficult to explain how the one system should originate in the other, notwithstanding the striking dissimilarity in the features and character between the offspring and the parent. A vast sum, not less than three millions sterling, accumulated and remained habitually in deposite in the Bank of Amsterdam—the place of the returned certificates being constantly supplied by new depositors. With so vast a standing deposite, it required but little reflection to perceive that a very large portion of it might be withdrawn, and that a sufficient amount would still be left to meet the

returning certificates; or, what would be the same in effect, that an equal amount of fictitious certificates might be issued, beyond the sum actually deposited, either process, if interest be charged on the deposite withdrawn, or the fictitious certificates issued, would be a near approach to a bank of discount. This once seen, it required but little reflection to perceive that the same process would be equally applicable to a capital placed in bank as stock; and from that, the transition was easy to issuing bank notes, payable on demand, on bills of exchange, or promissory notes having but a short time to run. These combined constitute the elements of a bank of discount, deposite, and circulation.

Modern ingenuity and dishonesty would not have been long in perceiving and turning such advantages to account; but the faculty of the plain Belgian was either too blunt to perceive, or his honesty too stern to avail himself of them. To his honor, there is reason to believe, notwithstanding the temptation, the deposites were sacredly kept; and that, for every certificate in circulation, there was a corresponding amount in bullion or coin in store. It was reserved for another people, either more ingenious or less scrupulous, to make the change.

The Bank of England was incorporated in 1694, eighty-five years after that of Amsterdam, and was the first bank of deposite, discount, and circulation. Its capital was £1,200,000, consisting wholly of Government stock, bearing an interest of eight per cent. per annum. Its notes were received in dues of the Government, and the public revenue was deposited in the bank. It was authorized to circulate exchequer bills, and make loans to Government. Let us pause for a moment, and contemplate this complex and potent machine, under its various characters and functions.

As a bank of deposite, it was authorized to receive deposites, not simply for safe-keeping, to be returned when demanded by the depositor, but to be used and loaned out for the benefit of the institution, care being taken always to be provided with the means of returning an equal amount when demanded. As a bank of discount and circulation, it issued its notes on the faith of its capital stock and deposites, or discounted bills of exchange and promissory notes backed by responsible endorsers, charging an interest something greater than was authorized by law to be charged on loans; and thus allowing it for the use of its credit, a higher rate of compensation than what individuals were authorized to receive for the use and hazard of money or capital loaned out. It will, perhaps, place this point in a clear light, if we should consider the transaction in its true character, not as a loan, but as a mere exchange of credit. In discounting, the bank takes, in the shape of a promissory note, the credit of an individual so good that another, equally responsible, endorses his note for nothing, and gives out its credit in the form of a bank note. The transaction is obviously a mere change of credit. If the drawer and endorsers break, the loss is the bank's; but if the bank breaks, the loss falls on the community; and yet this transaction, so dissimilar, is confounded with a loan, and the banks permitted to charge, on a mere exchange of credit, in which the hazard of the breaking of the drawer and endorser is incurred by the bank, and that of the bank by the community, a higher sum than the legal rate of interest on a loan; in which, besides the use of his capital, the hazard is all on the side of the lender.

Turning from these to the advantages which it derived from its connexion with the Government, we shall find them not less striking. Among the first of these in importance is the fact of its notes being received in the dues of the Government, by which the credit of the Government was added to that of the bank, which added so greatly to the increase of its circulation. These again, when collected by the Government, were placed in deposite in the bank; thus giving to it not only the profit resulting from their abstraction from circulation, from the time of collection till disbursement, but also that from the use of the public deposites in the interval. To complete the picture, the bank, in its capacity of lending to the Government, in fact paid in its notes which rested on the faith of the Government stock, on which it was drawing eight per cent.; so that, in truth, it but loaned to the Government its own credit.

Such were the extraordinary advantages conferred on this institution, and of which it had an exclusive monopoly; and these are the causes which gave such an extraordinary impulse to its growth and influence, that it increased, in a little more than a hundred years, from 1694 to 1797, (when the second era of the system, commenced with the establishment of the Bank of England, terminated,) from 1,200,000*l.* to nearly 11,000,000*l.*; and this mainly by the addition to its capital by loans to the Government above the profits of its annual dividends. Before entering on the third era of the system, I pause to make a few reflections on the second.

I am struck, in casting my eyes over it, to find that notwithstanding the great dissimilarity of features which the system had assumed in passing from a mere bank of deposite to that of deposite, discount, and circulation, the operation of the latter was confounded throughout this long period, as it regards the effects on the currency, with the bank of deposite. Its notes were universally regarded as representing gold and silver, and as depending on that representation exclusively for their circulation; as much so as did the certificates of deposite in the original Bank of Amsterdam. No one supposed that they could retain their credit for a moment after they ceased to be convertible into the metals on demand; nor were they supposed to have the effect of increasing the aggregate amount of the currency; nor, of course, of increasing prices. In a word, they were in the public mind as completely identified with the metallic currency as if every note in circulation had laid up in the vaults of the bank an equal amount, pound for pound, into which all its paper could be converted the moment it was presented.

All this was a great delusion. The issues of the bank never did represent, from the first, the precious metals. Instead of the representatives, its notes were in reality the substitute for coin. Instead of being the mere drudges, performing all the out-door service, while the coins reposed at their ease in the vaults of the banks, free from wear and tear, and the hazard of loss or destruction, as were the certificates of deposites in the original Bank of Amsterdam, they substituted, dregraded, and banished the coins. Every note circulated became the substitute of so much coin, and dispensed with it in circulation, and thereby depreciated the value of the precious metals, and increased their consumption in the same proportion; while it diminished, in the same degree, the supply, by rendering money less productive. The system assumed gold and silver as the basis of its circulation; and yet, by the laws of its nature, just as it increased its circulation, in the same degree the foundation on which the system stood was weakened. The consumption of the metals increased, and the supply diminished. As the weight of the superstructure increased, just in the same proportion its foundation was undermined and weakened. Thus, the germe of destruction was implanted in the system at its birth; has expanded with its growth, and must terminate, one day or other, in its dissolution, unless, indeed, it should, by some transition, entirely change its nature, and pass into some other and entirely different organic form. The conflict between bank circulation and metallic (though not perceived in the first stage of the system, when they were supposed to be indissolubly connected) is mortal; one or the other must perish in the struggle. Such is the decree of fate; it is irreversible.

Near the close of the second era, the system passed the Atlantic, and took root in our country, where it found the soil still more fertile, and the climate more congenial, than even in the parent country. The Bank of North America was established in 1781, with a capital of $400,000, and bearing all the features of its prototype, the Bank of England. In the short space of a little more than half a century, the system has expanded from one bank to about eight hundred, including branches, (no one knows the exact amount, so rapid the increase,) and from a capital of less than a half million to about $300,000,000, without apparently exhausting or diminishing its capacity to increase. So accelerated has been its growth with us, from causes which I explained on a former occasion,* that already it has attained a point much nearer the assigned limits of the system in its present form than what it has in England.

During the year 1797, the Bank of England suspended specie payment; an event destined by its consequences to effect a revolution in public opinion in relation to the system, and to accelerate the period which must determine its fate. England was then engaged in that gigantic struggle which originated in the French Revolution, and her financial operations were on the most extended scale, followed by a corresponding increase in the action of the bank, as her fiscal agent. It sunk under its overaction. Specie payments were suspended. Panic and dismay spread through the land—so deep and durable was the impression that the credit of the bank depended exclusively on the punctuality of its payments. In the midst of the alarm, an act of Parliament was passed, making the notes of the bank a legal tender; and, to the surprise of all, the institution proceeded on, apparently without any diminution of its credit. Its notes circulated freely as ever, and without any depreciation, for a time, compared with gold and silver; and continued so to do for upwards of twenty years, with an average diminution of about one per cent. per annum. This shock did much to dispel the delusion that bank notes represented gold and silver, and that they circulated in consequence of such representation, but without entirely obliterating on that point the old impression which had taken such strong hold on the public mind. The credit of its notes during the suspension was generally attributed to the tender act, and the great and united resources of the bank and the Government.

But an event followed of the same kind, under circumstances entirely different, which did more than any preceding to shed light on the true nature of the system, and to unfold its vast capacity to sustain itself without exterior aid. We finally became involved in the mighty struggle that had so long desolated Europe, and enriched our country. War was declared against Great Britain in 1812, and, in the short space of one year, our feeble banking system sunk under the increased fiscal action of the Government. I was then a member of the other House, and had taken my full share of responsibility in the measurs which had led to that result. I shall never forget the sensation which the suspension, and the certain anticipation of the prostration of the currency of the country, as a consequence, excited in my mind. We could resort to no tender act; we had no great and central regulating power like the Bank of England; and the credit and resources of the Government were comparatively small. Under such circumstances, I looked forward to a sudden and great depreciation of bank notes, and that they would fall speedily as low as the old continental money. Guess my suprise when I saw them sustain their credit, with scarcely any depreciation for a time, from the shock. I distinctly recollect when I first asked myself the question what was the cause? and which directed my inquiry into the extraordinary phenomenon. I soon saw that the system contained within itself a self-sustaining power; that there was between the banks and the community mutually the relation of debtor and creditor, there being, at all times, something more due from the banks to the community than from the latter to the former. I saw, in this reciprocal relation of debt and credit, that the demand of the banks on the community was greater than the amount of their notes in circulation could meet and absorb, and that, consequently, so long as their debtors were solvent, and bound to pay at short periods, their notes could never fail to be at or near a par with gold or silver. I also saw, that as their debtors were principally the merchants, they would take bank notes to meet their bank debts, and that which the merchant and the Government, which are the great money-dealers, take, the rest of the community would also take. Seeing all this, I clearly perceived that self-sustaining principle which poised and impelled the system, self-balanced in the midst of the heavens, like some celestial body, with scarcely a perceptible deviation from its path, from the concussion it had received.

Shortly after the termination of the war specie payments were coerced with us by the establishment of a national bank, and a few years afterwards in Great Britain, by an act of Parliament. In both countries the restoration was followed by wide-spread distress, as it always must when effected by coercion, for the simple reason that banks cannot pay unless their debtors first pay; and that to coerce the banks compels them to coerce their debtors before they have the means to pay. Their failure must be the consequence, and this involves the failure of the banks themselves, carrying, in their consequences, universal distress. Hence I am opposed to all kinds of coercion, and am in favor of leaving the disease to time, with the action of public sentiment and the States, to which the banks are alone responsible.

But to proceed with my narrative. Although specie payments were restored, and the system apparently placed where it was before the suspension, the great capacity it proved to possess of sustaining itself without specie payments was not forgotten by those who had its direction. The impression that it was indispensable to the circulation of its notes that they should represent the precious metals was almost obliterated, and they were regarded rather as restrictions on the free and profitable operation of the system, than as the means of its security. Hence a feeling of opposition to gold and silver gradually grew up on the part of the banks, which created an *esprit du corps*, followed by a moral resistance to specie payments, if I may so express myself, which in fact suspended in a great degree, the conversion of their notes into the precious metals long before the present suspension. With the growth of this feeling, banking business assumed a bolder character, and its profits were proportionably enlarged; and, with it, the tendency of the system to increase kept pace. The effect of this soon displayed itself in a striking manner, which was followed by very important consequences, which I shall next explain.

It so happened that the charters of the Bank of England and the late Bank of the United States expired about the same time. As the period approached, a feeling of hostility, growing out of the causes just explained, which had excited a strong desire in the community, who could not participate in the profits of these two great monopolies, to throw off their restraint, began to disclose itself against both institutions. In Great Britain it terminated in breaking down the exclusive monopoly of the Bank of England, and narrowing greatly the specie basis of the system, by making the notes of the Bank of England a legal tender in all cases, except between it and its creditors. A sudden and vast increase of the system, with a great diminution of the metallic basis in proportion to banking transactions,

* See Speech on Mr. Webster's motion to renew the charter of the United States Bank, in 1831.

followed, which have shocked and weakened the stability of the system there. With us the result was different. The bank fell under the hostility. All restraint on the system was removed, and banks shot up in every direction almost instantly under the growing impulse which I have explained, and which, with the causes I stated when I first addressed the Senate on this question, is the cause of the present catastrophe.

With it commences the fourth era of the system, which we have just entered—an era of struggle, and conflict, and changes. The system can advance no further in our country, without great and radical changes. It has come to a stand. The conflict between metallic and bank currency, which I have shown to be inherent in the system, has, in the course of time, and with the progress of events, become so deadly, that they must separate, and one or the other fall. The degradation of the value of the metals, and their almost entire expulsion from their appropriate sphere, as the medium of exchange and the standard of value, have gone so far, under the necessary operation of the system, that they are no longer sufficient to form the basis of the widely extended system of banking. From the first, the gravitation of the system has been in one direction—to dispense with the use of the metals; and hence the descent from a bank of deposite to one of discount; and hence, from being the representative, their notes have become the substitute, for gold and silver; and hence, finally, its present tendency to a mere paper engine, totally separated from the metals. One law has steadily governed the system throughout—the enlargement of its profits and influence; and under that operation, through which metallic currency became insufficient for circulation, it has become, in its progress, insufficient for the basis of banking operations; so much so, that, if specie payments were restored, it would be but nominal, and the system would in a few years, on the first adverse current, sink down again into its present helpless condition. Nothing can prevent it but great and radical changes, which would diminish its profits and influence, so as effectually to arrest that strong and deep current which has carried so much of the wealth and capital of the community in that direction. Without that, the system, as now constituted, must fall, unless, indeed, it can form an alliance with the Government, and through it establish its authority by law, and make its credit, unconnected with gold and silver, the medium of circulation. If the alliance should take place, one of the first movements would be the establishment of a great central institution; or, if that should prove impracticable, a combination of a few selected and powerful of the State banks, which, sustained by the Government, would crush or subject the weaker, to be followed by an amendment of the constitution, or some other device, to limit their number and the amount of capital hereafter. This done, the next step would be to confine and consolidate the supremacy of the system over the currency of the country, which would be in its hands exclusively, and, through it, over the industry, business, and politics of the country; all of which would be wielded to advance its profits and power.

The system having now arrived at this point, the great and solemn duty devolves on us to determine this day what relation this Government shall hereafter bear to it. Shall we enter into an alliance with it, and become the sharers of its fortune and the instrument of its aggrandizement and supremacy? This is the momentous question on which we must now decide. Before we decide, it behooves us to inquire whether the system is favorable to the permanency of our free republican institutions, to the industry and business of the country, and, above all, to our moral and intellectual development, the great object for which we were placed here by the Author of our being. Can it be doubted what must be the effects of a system whose operations have been shown to be so unequal on free institutions whose foundation rests on an equality of rights? Can that favor equality which gives to one portion of the citizens and the country such decided advantages over the other, as I have shown it does in my opening remarks? Can that be favorable to liberty which concentrates the money power, and places it under the control of a few powerful and wealthy individuals? It is the remark of a profound statesman, that the revenue is the State; and, of course, those who control the reveuue control the State, and those who can control the money power can the revenue, and through it the State, with the property and industry of the country, in all its ramifications. Let us pause for a moment, and reflect on the nature and extent of this tremendous power.

The currency of a country is to the community what the blood is to the human system. It constitutes a small part, but it circulates through every portion, and is indispensable to all the functions of life. The currency bears even a smaller proportion to the aggregate capital of the community, than what the blood does to the solids in the human system. What that portion is, has not been, and perhaps cannot be, accurately ascertained, as it is probably subject to considerable variations. It is probably between twenty-five and thirty-five to one. I will assume it to be thirty to one. With this assumption, let us suppose a community whose aggregate capital is $31,000,000; its currency would be, by supposition, one million, and the residue of its capital thirty millions. This being assumed, if the currency be increased or decreased, the other portion of the capital remains the same, according to the well-known laws of currency; property would rise or fall with increase or decrease; that is, if the currency be increased to two millions, the aggregate value of property would rise to sixty millions; and, if the currency be reduced to $500,000, it would be reduced to fifteen millions. With this law so well established, place the money power in the hands of a single individual, or a combination of individuals, and, by expanding or contracting the currency, they may raise or sink prices at pleasure; and by purchasing when at the greatest depression, and selling at the greatest elevation, may command the whole property and industry of the community, and control its fiscal operations. The banking system concentrates and places this power in the hands of those who control it, and its force increases just in proportion as it dispenses with a metallic basis. Never was an engine invented better calculated to place the destiny of the many in the hands of the few, or less favorable to that equality and independence which lies at the bottom of all free institutions.

These views have a bearing not less decisive on the next inquiry—the effects of the system on the industry and wealth of the country. Whatever may have been its effects in this respect in its early stages, it is difficult to imagine any more mischievous on all the pursuits of life than the frequent and sudden expansions and contractions to which it has now become so habitually subject, that it may be considered its ordinary condition. None but those in the secret know what to do. All are pausing and looking out to ascertain whether an expansion or contraction is next to follow, and what will be its extent and duration; and if, perchance, an error be committed—if it expands when a contraction is expected, or the reverse, the most prudent may lose by the miscalculation the fruits of a life of toil and care. The effects are to discourage industry, and to convert the whole community into stock-jobbers and speculators. The evil is constantly on the increase, and must continue to increase just as the banking system becomes more diseased, till it shall become utterly intolerable.

But its most fatal effects originate in it bearing on the moral and intellectual development of the community. The great principle of demand and supply governs the moral and intellectual world no less than the business and

commercial. If a community be so organized as to cause a demand for high mental attainments, they are sure to be developed. If its honors and rewards are allotted to pursuits that require their development by creating a demand for intelligence, knowledge, wisdom, justice, firmness, courage, patriotism, and the like, they are sure to be produced. But, if allotted to pursuits that require inferior qualities, the higher are sure to decay and perish. I object to the banking system, because it allots the honors and rewards of the community, in a very undue proportion, to a pursuit the least of all others favorable to the development of the higher mental qualities, intellectual or moral, to the decay of the learned professions, and the more noble pursuits of science, literature, philosophy, and statesmanship, and the great and more useful pursuits of business and industry. With the vast increase of its profits and influence, it is gradually concentrating in itself most of the prizes of life, wealth, honor, and influence, to the great disparagement and degradation of all the liberal and useful and generous pursuits of society. The rising generation cannot but feel its deadening influence. The youths who crowd our colleges, and behold the road to honor and distinction terminating in a banking-house, will feel the spirit of emulation decay within him, and will no longer be pressed forward by generous ardor to mount up the rugged steep of science, as the road to honor and distinction, when perhaps, the highest point he could attain in what was once the most honorable and influential of all the learned professions, would be the place of attorney to a bank.

Nearly four years since, on the question of the removal of the deposites, although I was opposed to the removal, and in favor of their restoration, because I believed it to be unconstitutional and illegal, yet, forseeing what was coming, and not wishing that there should be any mistake as to my opinion on the banking system, I stated here in my place what that opinion was. I declared that I had long entertained doubts, if doubts they might be called, which were daily increasing, that the system made the worst possible distribution of the wealth of the community, and that it would ultimately be found hostile to the further advancement of civilization and liberty. This declaration was not lightly made; and I have now unfolded the grounds on which they rested, and which subsequent events and reflection have matured into a settled conviction.

With all these consequences before us, shall we restore the broken connexion? Shall we again unite the Government with the system? And what are the arguments opposed to these high and weighty objections? Instead of meeting them and denying their truth, or opposing others of equal weight, a rabble of objections (I can call them by no better name) is urged against the separation: one currency for the Government and another for the people; separation of the people from the Government; taking care of the Government and not the people; and a whole fraternity of others of like character. When I first saw them advanced in the columns of a newspaper, I could not but smile, in thinking how admirably they were suited to an electioneering canvass. They have a certain plausibility about them which makes them troublesome to an opponent, simply because they are merely plausible, without containing one particle of reason. I little expected to meet them in discussion in this place; but since they have been gravely introduced here, respect for the place and company exacts a passing notice, to which of themselves they are not at all entitled.

I begin with that which is first pushed forward, and seems to be most relied on—one currency for the Government, and another for the people. Is it meant that the Government must take in payment of its debts whatever the people take in payment of theirs? If so, it is a very broad proposition, and would lead to important consequences. The people now receive the notes of non-specie-paying banks. Is it meant that the Government should also receive them? They receive in change all sorts of paper, issued by we know not whom. Must the Government also receive them? They receive the notes of banks issuing notes under five, ten, and twenty dollars. Is it intended that the Government shall also permanently receive them? They receive bills of exchange. Shall Government, too, receive them? If not, I ask the reason. Is it because they are not suitable for a sound, stable, and uniform currency? The reason is good, but what becomes of the principle that the Government ought to take whatever the people take? But I go further: it is the duty of Government to receive nothing in its dues but which it has the right to render uniform and stable in its value. We are by the constitution made the guardian of the money of the country. For this the right of coining and regulating the value of coins was given, and we have no right whatever to receive or treat any thing as money, or the equivalent of money, the value of which we have no right to regulate. If this principle be true, and it cannot be controverted, I ask what right has Congress to receive and treat the notes of the State banks as money? If the States have the right to incorporate banks, what right has Congress to regulate them or their issues? Show me the power in the constitution. If the right be admitted, what are its limitations, and how can the right of subjecting them to a bankrupt law in that case be denied? If one be admitted, the other follows as a consequence; and yet those who are most indignant against the proposition of subjecting the State banks to a bankrupt law, are the most clamorous to receive their notes, not seeing that the one involves the right of the other. I am equally opposed to both as unconstitutional and inexpedient. We are next told, to separate from the banks is to separate from the people. The banks, then, are the people, and the people the banks—united, identified, and inseparable; and as the Government belongs to the people, it follows, of course, according to this argument, it belongs also to the banks, and of course is bound to do their biddings. I feel on so grave a subject, and in so grave a body, an almost invincible repugnance in replying to such arguments; and I shall hasten over the only remaining one of the fraternity, which I shall condescend to notice with all possible despatch. They have no right of admission here; and, if I were disposed to jest on so solemn an occasion, I should say they ought to be driven from this chamber under the 47th rule.* The next of these formidable objections to the separation from the banks is, that the Government, in so doing, takes care of itself, and not of the people. Why, I had supposed that the Government belonged to the people; that it was created by them for their own use, to promote their interest, and secure their peace and liberty; that, in taking care of itself, it takes the most effectual care of the people; and, in refusing all embarrassing, entangling, and dangerous alliances with corporations of any description, it was but obeying the great law of self-preservation. But enough; I cannot any longer waste words on such objections. I intend no disrespect to those who have urged them; yet these, and arguments like these, are mainly relied on to countervail the many and formidable objections, drawn from the highest considerations that can influence the action of Government or individuals, none of which have been refuted, and many not even denied.

The Senator from Massachusetts [Mr. Webster] urged an argument of a very different character, but which, in my opinion, he entirely failed to establish. He asserted that the ground assumed on this side was an entire abandonment of a great constitutional function conferred by the constitution on Congress. To establish this, he laid down the proposition, that Congress was bound to take care of

* It is the rule regulating the admission of persons in the lobby of the Senate.

the money of the country. Agreed: and with this view the constitution confers on us the right of coining and regulating the value of coins, in order to supply the country with money of proper standard and value; and is it an abandonment of this right to take care, as this bill does, that it shall not be expelled from circulation, as far as the fiscal action of this Government extends? But, having taken this unquestionable position, the Senator passed (by what means he did not condescend to explain,) from taking care of the money of the country to the right of establishing a currency, and then to the right of establishing a bank currency as I understood him. On both of these points, I leave him in the hands of the Senator from Pennsylvania, [Mr. BUCHANAN,] who, in an able and constitutional argument, completely demolished, in my judgment, the position assumed by the Senator from Massachusetts. I rejoice to hear such an argument from such a quarter. The return of the great State of Pennsylvania to the doctrines of rigid construction and State rights, sheds a ray of light on the thick darkness which has long surrounded us.

But we are told that there is not gold and silver enough to fill the channels of circulation, and that prices would fall. Be it so. What is that compared to the dangers which menace on the opposite side? But are we so certain that there is not a sufficiency of the precious metals for the purpose of circulation? Look at France, with her abundant supply, with her channels of circulation full to overflowing with coins, and her flourishing industry. It is true that our supply is insufficient at present. How could it be otherwise? The banking system has degraded and expelled the precious metals, driven them to foreign lands, closed the mines, and converted their products into costly vases, and splendid utensils and ornaments, administering to the pride and luxury of the opulent, instead of being employed as the standard of value, and the instrument of making exchanges, as they were manifestly intended mainly to be by an all-wise Providence. Restore them to their proper functions, and they will return from their banishment; the mines will again be opened; and the gorgeous splendor of wealth will again reassume the more humble, but useful, form of coins.

But, Mr. President, I am not driven to such alternatives. I am not the enemy, but the friend of credit—not as the substitute, but the associate and the assistant of the metals. In that capacity, I hold credit to possess, in many respects, a vast superiority over the metals themselves. I object to it in the form which it has assumed in the banking system, for reasons that are neither light nor few, and that neither have nor can be answered. The question is not whether credit can be dispensed with, but what is its best possible form—the most stable, the least liable to abuse, and the most convenient and cheap? I threw out some ideas on this important subject in my opening remarks. I have heard nothing to change my opinion. I believe that Government credit, in the form I suggested, combines all the requisite qualities of a credit circulation in the highest degree; and also that Government ought not to use any other credit but its own in its financial operations. When the Senator from Massachusetts made his attack on my suggestions, I was disappointed. I expected argument, and he gave us denunciation. It is often easy to denounce, when it is hard to refute; and when that Senator gives denunciations, instead of arguments, I conclude that it is because the one is plenty, and the other scarce.

We are told the form I suggested is but a repetition of the old continental money—a ghost that is ever conjured up by all who wish to give the banks an exclusive monopoly of Government credit. The assertion is not true; there is not the least analogy between them. The one was a promise to pay when there was no revenue; and the other a promise to receive in the dues of Government when there is an abundant revenue.

We are also told that there is no instance of a Government paper that did not depreciate. In reply, I affirm that there is none, assuming the form I propose, that ever did depreciate. Whenever a paper receivable in the dues of Government had any thing like a fair trial, it has succeeded. Instance the case of North Carolina, referred to in my opening remarks. The drafts of the Treasury at this moment, with all their incumbrance, are nearly at par with gold and silver; and I might add the instance alluded to by the distinguished Senator from Kentucky, in which he admits that, as soon as the excess of the issues of the Commonwealth Bank of Kentucky were reduced to the proper point, its notes rose to par. The case of Russia might also be mentioned. In 1827 she had a fixed paper circulation, in the form of bank notes, but which were inconvertible, of upwards of $120,000,000, estimated in the metallic ruble, and which had for years remained without fluctuation, having nothing to sustain it, but that it was received in the dues of the Government, and that, too, with a revenue of only about $90,000,000 annually. I speak on the authority of a respectable traveller. Other instances, no doubt, might be added; but it needs no such support. How can a paper depreciate which the Government is bound to receive in all payments to it, and while those to whom payments are to be made are under no obligation to receive it? From its nature, it can only circulate when at par with gold and silver; and if it could depreciate, none could be injured but the Government.

But my colleague objects that it would partake of the increase and decrease of the revenue, and would be subject to greater expansions and contractions than bank notes themselves. He assumes that Government would increase the amount with the increase of the revenue, which is not probable, for the aid of its credit would then be least needed; but if it did, what would be the effect? On the decrease of the revenue its bills would be returned to the Treasury, from which, for the want of demand, they could not be re-issued; and the excess, instead of hanging on the circulation, as in the case of bank notes, and exposing it to catastrophes like the present, would be gradually and silently withdrawn, without shock or injury to any one. It has another and striking advantage over bank circulation, in its superior cheapness as well as greater stability and safety. Bank paper is cheap to those who make it, but dear, very dear, to those who use it, fully as much so as gold and silver. It is the little cost of its manufacture, and the dear rates at which it is furnished to the community, which gives the great profit to those who have a monopoly of the article. Some idea may be formed of the extent of the profit by the splendid palaces which we see under the name of banking houses, and the vast fortunes which have been accumulated in this branch of business; all of which must ultimately be derived from the productive powers of the community, and of course adds so much to the cost of production. On the other hand, the credit of Government, while it would greatly facilitate its financial operations, would cost nothing, or next to nothing, both to it and the people, and of course would add nothing to the cost of production, which would give every branch of our industry, agriculture, commerce, and manufactures, as far as its circulation might extend, great advantages both at home and abroad.

But there remains another and great advantage. In the event of war, it would open almost unbounded resources to carry it on, without the necessity of resorting to what I am almost disposed to call a fraud—public loans. I have already shown that the loans of the Bank of England to the Government were very little more than loaning back to the Government its own credit; and this is more or less true of all loans, where the banking system prevails. It was pre-eminently so in our late war. The circulation of the Government credit, in the shape of bills receivable ex-

clusively with gold and silver in its dues, and the sales of public lands, would dispense with the necessity of loans, by increasing its bills with the increase of taxes. The increase of taxes, and, of course, of revenue and expenditures, would be followed by an increased demand for Government bills, while the latter would furnish the means of paying the taxes, without increasing, in the same degree, the pressure on the community. This, with a judicious system of funding, at a low rate of interest, would go far to exempt the Government from the necessity of contracting public loans, in the event of war.

I am not, Mr. President, ignorant, in making these suggestions, (I wish them to be considered only in that light,) to what violent opposition every measure of the kind must be exposed. Banks have been so long in the possession of Government credit, that they very naturally conclude they have an exclusive right to it, and consider the withdrawal of it, even for the use of the Government itself, as a positive injury. I have some experience on this subject. It was my fortune to take a stand on the side of the Government against the banks during the most trying period of the late war—the winter of 1814 and 1815—and never in my life was I exposed to more calumny and abuse—no, not even on this occasion. It was my first lesson on the subject. I shall never forget it. I propose to give a very brief narrative of the scenes through which I then passed; not with any feeling of egotism; for I trust I am incapable of that, but to illustrate the truth of much I have said, and to snatch from oblivion not an unimportant portion of our financial history. I see the Senators from Massachusetts, (Mr. Webster,) and from Alabama, (Mr. King,) who were then members of the House of Representatives, in their places, and they can vouch for the correctness of my narrative, as far as the memory of transactions so long passed will serve.

The finances of the country had at that time fallen into great confusion. Mr. Campbell had retired from the head of the Treasury, and the late Mr. Dallas had succeeded—a man of talents, bold and decisive, but inexperienced in the affairs of the Department. His first measure to restore order, and to furnish the supplies to carry on the war, was to recommend a bank of $50,000,000, to be constituted almost exclusively of the new stocks which had been issued during the war, to the exclusion of the old, which had been issued before. The proposed bank was authorized to make loans to the Government, and was not bound to pay specie during the war, and for three years after its termination.

It so happened that I did not arrive here till some time after the commencement of the session, having been detained by an attack of bilious fever. I had taken a prominent part in the declaration of the war, and had every motive and disposition to sustain the administration, and to vote every aid to carry on the war. Immediately after my arrival, I had a full conversation with Mr. Dallas, at his request. I entertained very kind feelings towards him, and assured him, after he had explained his plan, that I would give it my early and favorable attention. At that time I had reflected but little on the subject of banking. Many of my political friends expressed a desire that I should take a prominent part in its favor. Their extreme anxiety roused my attention, and, being on no committee, (they had been appointed before my arrival,) I took up the subject for a full investigation, with every disposition to give it my support. I had not proceeded far before I was struck with the extraordinary character of the project; a bank of $50,000,000, whose capital was to consist almost exclusively of Government credit in the shape of stock, and not bound to pay its debts during the war and for three years afterwards, to furnish the Government with loans to carry on the war! I saw at once that the effect of the arrangement would be, that Government would borrow back its own credit, and pay six per cent. per annum for what they had already paid eight or nine. It was impossible for me to give it my support under any pressure, however great. I felt the difficulty of my situation, not only in opposing the leading measure of the administration at such a crisis, but, what was far more responsible, to suggest one of my own, that would afford relief to the embarrassed Treasury. I cast my eyes around, and soon saw that the Government should use its own credit directly, without the intervention of a bank; which I proposed to do in the form of Treasury notes, to be issued in the operations of the Government, and to be funded in the subscription to the stock of the bank. Treasury notes were, at that time, below par, even with bank paper. The opposition to them was so great on the part of the banks, that they refused to receive them on deposite, or payment at par with their notes; while the Government, on its part, received and paid away notes of the banks, at par with its own. Such was the influence of the banks, and to such degradation did the Government, in its weakness, submit.

All this influence I had to encounter, with the entire weight of the administration thrown into the same scale. I hesitated not. I saw the path of duty clearly, and determined to tread it, as sharp and rugged as it was. When the bill came up, I moved my amendment, the main features of which were, that, instead of Government stock already issued, the capital of the bank should consist of funded Treasury notes; and that, instead of a mere paper machine, it should be a specie paying bank, so as to be an ally instead of an opponent, in restoring the currency to a sound condition on the return of peace. These were, with me, indispensable conditions. I accompanied my amendment with a short speech of fifteen or twenty minutes; and so overpowering was the force of truth that, notwithstanding the influence of the administration, backed by the money power, and the Committee of Ways and Means, which was unanimous, with one exception, as I understood, my amendment prevailed by a large majority; but it, in turn failed: the opposition, the adherents of the administration, and those who had constitutional scruples, combining against it. Then followed various but unsuccessful attempts to charter a bank. One was vetoed by the President, and another was lost by the casting vote of the Speaker, (Mr. Cheves.) After a large portion of the session was thus unsuccessfully consumed, a caucus was called, in order to agree on some plan, to which I and the few friends who still adhered to me, after such hard service, were especially invited. We of course attended. The plan of compromise was unfolded, which approached much nearer to our views, but which was still objectionable in some features. I objected, and required further concessions, which were refused, and was told the bill could be passed without us; at which I took up my hat and bid good night. The bill was introduced in the Senate, and speedily passed that body. On the second reading I rose and made a few remarks, in which I entreated the House to remember that they were about to vote for the measure against their conviction, as had been frequently expressed; and that, in so doing, they acted under a supposed necessity, which had been created by those who expected to profit by the measure. I then reminded them of the danger of acting under such pressure, and I said that they were so sensible of the truth of what I uttered, that if peace should arrive before the passage of the bill, it would not receive the support of fifteen members; I concluded by saying that I would reserve what I intended to say on the question of the passage of the bill, when I would express my opinion at length, and appeal to the country. My objections had not gone to the people, as nothing that I had said had been reported—such was my solicitude to defeat the bill, without extending our divisions beyond the walls of the House, in the then critical condition of the country. My object was to arrest

the measure, and not to weaken confidence in the administration.

In making the supposition, I had not the slightest anticipation of peace. England had been making extensive preparations for the ensuing campaign, and had made a vigorous attack upon New Orleans, but had just been repelled; but, by a most remarkable coincidence, an opportunity (strange as it may seem) was afforded to test the truth of what I said. Late in the evening of the day, I met Mr. Sturges, then a member of Congress from Connecticut. He said he had some information which he could not withhold from me; that a treaty of peace had been made, and that it had actually arrived in New York, and would be here the next day; so that I would have an opportunity of testing the truth of my prediction. He added, that his brother, who had a mercantile house in New York, had forwarded information to him by express, and that he had forwarded the information to connected houses in the Southern cities, with direction to purchase the great staples in that quarter, and that he wished me to consider the information as confidential. I thanked him for the intelligence, and promised to keep it to myself. The rumor, however, got out, and the next day an attempt was made to pass through the bill; but the House was unwilling to act till it could ascertain whether a treaty had been made. It arrived in the course of the day, when, on my motion, it was laid on the table, with less than fifteen votes against the motion; and I had the gratification of receiving the thanks of many for defeating the bill, who, a short time before, were almost ready to cut my throat for my persevering opposition to the measure. An offer was then made to me to come to my terms, which I refused, declaring that I arose in my demand, and would agree to no bill which should not be formed with the view to the speedy restoration of specie payments. It was afterwards postponed, on the conviction that it could not be so modified as to make it acceptable to a majority. This was my first lesson on banks. It has made a durable impression on my mind.

My colleague, in the course of his remarks, said he regarded this measure as a secret war waged against the banks. I am sure he could not intend to attribute such motives to me. I wage no war, secret or open, against the existing institutions. They have been created by the legislation of the States, and are alone responsible to the States. I hold them not answerable for the present state of things, which has been brought about under the silent operation of time, without attracting notice, or disclosing its danger. Whatever legal or constitutional rights they possess, under their charters, ought to be respected; and, if attacked, I would defend them as resolutely as I now oppose the system. Against that I wage, not secret, but open and uncompromising hostilities, originating not in opinions recently or hastily formed. I have long seen the true character of the system, its tendency, and destiny, and have looked forward for many years, as many of my friends know, to the crisis in the midst of which we now are. My ardent wish has been to effect a gradual change in the banking system, by which the crisis might be passed without a shock, if possible; but I have been resolved for many years, that, should it arrive in my time, I would discharge my duty, however great the difficulty and danger. I have, thus far, faithfully performed it, according to the best of my abilities, and, with the blessing of God, shall persist, regardless of every obstacle, in performing it, with equal fidelity, to the end.

He who does not see that the credit system is on the eve of a great revolution, has formed a very imperfect conception of the past, and anticipation of the future. What changes it is destined to undergo, and what new form it will ultimately assume, are concealed in the womb of time, and not given us to foresee. But we may perceive in the present many of the elements of the existing system which must be expelled, and others which must enter it in its renewed form.

In looking at the elements at work, I hold it certain that in the process there will be a total and final separation of the credit of Government and that of individuals, which have been so long blended. The good of society, and the interests of both, imperiously demand it, and the growing intelligence of the age will enforce it. It is unfair, unjust, unequal, contrary to the spirit of free institutions, and corrupting in its consequences. How far the credit of Government may be used in a separate form, with safety and convenience, remains to be seen. To the extent of its fiscal action, limited strictly to the function of the collection and disbursement of its revenue, and in the form I have suggested, I am of the impression it may be both safely and conveniently used, and with great incidental advantages to the whole community. Beyond that limit I see no safety, and much danger.

What form individual credit will assume after the separation is still more uncertain; but I see clearly that the existing fetters that restrain it will be thrown off. The credit of an individual is his property, and belongs to him as much as his land and houses, to use it as he pleases, with the single restriction, which is imposed on all our rights, that they are not to be used so as to injure others. What limitations this restriction may impose, time and experience will show; but, whatever they may be, they ought to assume the character of general laws, obligatory on all alike, and open to all; and, under the provisions of which all may be at liberty to use their credit, jointly or separately, as freely as they now use their land and houses, without any preference by special acts, in any form or shape, to one over another. Every thing like monopoly must ultimately disappear before the process which has begun will finally terminate.

I see not less clearly, that, in the process, a separation will take place between the use of capital and the use of credit. They are wholly different, and, under the growing intelligence of the times, cannot much longer remain confounded in their present state of combination. They are as distinct as a loan and an endorsement; in fact, the one is but giving to another the use of our capital, and the other the use of our credit; and yet so dissimilar are they that we daily see the most prudent individuals lending their credit for nothing, in the form of endorsement or security, who would not loan the most inconsiderable sum without interest. But, as dissimilar as they are, they are completely confounded in banking operations, and which is one of the main sources of the profit, and the consequent dangerous flow of capital in that direction. A bank discount, instead of a loan, is very little more, as I have shown, than a mere exchange of credit—an exchange of the joint credit of the drawer and endorser of the note discounted for the credit of the bank in its own note. In the exchange, the bank insures the parties to the note discounted, and the community, which is the loser if the bank fails, virtually insures the bank; and yet, by confounding this exchange of credit with the use of capital, the bank is permitted to charge an interest for this exchange rather greater than an individual is permitted to charge for a loan, to the great gain of the bank and loss of the community. I say loss; for the community can never enjoy the great and full benefit of the credit system, till loans and credit are considered as entirely distinct in their nature, and the compensation for the use of each be adjusted to their respective nature and character. Nothing would give a greater impulse to all the business of society. The superior cheapness of credit would add incalculably to the productive powers of the community, when the immense gains, which are now devised by confounding them, shall come in aid of production.

Whatever other changes the credit system is destined to undergo, these are certainly some which it must; but when and how the revolution will end—whether it is destined to

be sudden and convulsive, or gradual and free from shock, time alone can disclose. Much will depend on the decision of the present question, and the course which the advocates of the system may pursue. If the separation takes place, and is acquiesced in by those interested in the system, the prospect will be that it will be gradually and quietly run down, without shock or convulsions, which is my sincere prayer; but if not—if the reverse shall be insisted on, and, above all, if it should be effected through a great political struggle, (it can only be so effected,) the revolution would be violent and convulsive. A great and thorough change must take place. It is wholly unavoidable. The public attention begins to be roused throughout the civilized world to this all-absorbing subject. There is nothing left to be controlled but the mode and manner, and it is better for all that it should be gradual and quiet than the reverse. All the rest is destiny.

I have now, Mr. President, said what I intended, without reserve or disguise. In taking the stand I have, I change no relation, personal or political, nor alter any opinion I have heretofore expressed or entertained. I desire nothing from the Government or the people. My only ambition is to do my duty, and shall follow wherever that may lead, regardless alike of attachments or antipathies, personal or political. I know full well the responsibility I have assumed. I see clearly the magnitude and the hazard of the crisis, and the danger of confiding the execution of measures in which I take so deep a responsibility, to those in whom I have no reason to have any special confidence. But all this deters me not, when I belive that the permanent interest of the country is involved. My course is fixed. I go forward. If the administration recommend what I approve on this great question, I will cheerfully give my support; if not, I shall oppose; but, in opposing, I shall feel bound to suggest what I believe to be the proper measure, and which I shall be ready to back, be the responsibility what it may, looking only to the country, and not stopping to estimate whether the benefit shall enure either to the administration or the opposition.

Mr. WEBSTER rose and said: The gentleman from South Carolina has said of my remarks, on a former day, that, where he looked for argument, he found only denunciation. But there are always two sides in such a case; it may certainly happen that denunciation is given instead of argument; but it my also happen that arguments which cannot be answered are got rid of by calling them denunciation. That, however, is a question which it is not for the two parties themselves to decide. I listened with great re-respect to the opinions of the member, as it is my constant practice to do, and I mean to express my astonishment that, at this period of his public life, looking back to his former course in relation to the currency of this country for the space of nearly twenty years—I say, I must give utterance to my astonishment at finding him where he now is, namely, according to his own avowal, back again to the old continental money! If this Government paper currency, of which the gentleman is now become the sudden and zealous advocate, is not what I pronounced it to be, continental money, what is it? It is not a species of exchequer notes; it is a mere Government paper, circulating without interest, receivable for the dues of Government, and with no certain provisions for its redemption: and that is what the old continental money was. But the gentleman says there is no analogy between his proposed money and the old continental, because Congress then levied no taxes! But Congress made requisitions on the States, and did not the States levy taxes?

The greater part of his remarks, so far from being any reply to the subjects under discussion, have been taken up with a general history of the banking system. No doubt much of the outline he has given may be correct, but there is nothing in all he has advanced to justify the leading inference which he makes, and which is, that the credit system ought to be destroyed, and the hard money system henceforth be acted upon. In coming to this conclusion, he is by far too general; he seems, indeed, to have generalized himself out of all power of applying practical truths to the common subjects.

He has referred to the Bank of Amsterdam as an argument in proof of the superiority of a bank of deposite over one of circulation. But so far from a bank of deposite being safer than one of circulation, we all know that the Bank of England took the character of a bank of circulation, among other things, to avoid the danger of a bank of deposite, making the money in the bank liable to constant call by the bills. Every day's experience in this way brings the solidity of the bank to the test. It is astonishing he should assert the superiority and greater safety of such kind of banks; they had all the dangers of banks of circulation, without any of their security, which is the liability of an immediate demand, at any time, for the specie represented by their notes. Certificates of deposite issued by a bank of deposite are not subject to this test. When certificates upon sums in actual deposite are issued, who is to know when the issue begins upon deposites not in existence? Who is to know where such an issue of such certificates may end? I conclude, therefore, that the notes or certificates of a bank of deposite are not in their nature so good as the convertible notes of our common banks of circulation. But, if the certificates issued upon actual deposites are not so safe as the notes of banks always convertible at the pleasure of the holder, then, how much less safe are the notes proposed by the gentleman? Notes to be issued on no deposite, and convertible at no time! These he would issue, not upon the basis of any deposite, not convertible at the will of the holder, and not bearing any interest! Now, here, I insist upon it, is all the character and all the danger of the old continental money; and this train of reasoning, the gentleman says, is denunciation.

The gentleman brings an objection against the Bank of England as a bank of circulation, which he doubtless deems of great weight against all such banks. He says the Bank of England made successive augmentations of its capital, beginning first with a capital of a quarter of a million, and ending, after the lapse of one hundred years, with a capital of eleven millions. But will the gentleman call this a rapid advance? Within the space of one hundred years, has not the advance of commerce, trade, manufactures, population, and every thing else, been far more rapid? Is it not the fact that commerce and manufactures have outgrown the bank, and that it has lagged behind? The capital of that bank now, at eleven millions, for a commerce so vast and so extended as that of England, is a much smaller capital, in point of fact, than its original capital of a quarter of a million a century ago. Surely the gentleman must admit that, in the course of one hundred years, manufactures and commerce have undergone an increase beyond all proportion to the capital of the bank.

Again, the gentleman says that, in 1797, when the Bank of England suspended specie payments,* then, to the astonishment of the world, the suspension produced no great shock. I think somewhat differently. It is true, there was no immediate, instantaneous shock, but the wants of the Government and of the community were such as to give rise to a constant overissue, so that at one time the depreciation, I think, was nearly twenty per cent. When Government afterwards threatened to resume, a great contraction of issues became necessary. And if the suspension rendered such a contraction, at a subsequent period, necessary, or, rather, inevitable, how can it be asserted that the suspension never occasioned any great shock?

* This assertion, as here responded to, is modified and much changed in the printed speech of Mr. C. so as to read differently.—*Note by the Reporter.*

That contraction was of itself a great shock and a great distress. It made a violent change in the relative interests of debtor and creditor!

So in this country in 1814, the gentleman says he was astonished that the suspension produced so little effect. What effect, I would ask, would satisfy him? What sort of a shock must it be before he will feel it? The fact is, that at that time, as he well remembers, exchange was, in some places, at twenty-five per cent. discount between one part of the country and another.

A man here could not buy a bill upon Boston at less than that discount; in other words, money here was depreciated twenty-five per cent.! And was not that shock enough? Was not that a shock to the credit of the country? To me it appears that the gentleman, in his general view, and in his desire to fix great eras and establish a few sweeping propositions, leaves out quite too much of what is practical and precise. He expresses his astonishment at what he says he saw in 1816, when, although the banks did not pay specie, yet, he says, they kept their credit. He certainly saw what I did not see. Their credit was depreciated from New England, proceeding south, to Washington; in all that extent their credit fell to various low rates. Beyond that point I have less recollection of the circumstances. Granting, however, the gentleman's argument that when banks have suspended, still their paper has maintained its ground, does it follow that a paper starting into existence on the very principle of suspension, and never even promising to pay, will be a good paper currency? Does he think such a paper can maintain its ground, or ever, indeed, obtain any ground to stand upon at all? Yet such is the currency the gentleman has proposed; and the argument by which he would recommend it to the country is built upon the assumed fact that the paper even of suspended banks is a good currency!

To prevent all mistakes on this subject, I desire to repeat that, in my opinion, it is utterly vain and hopeless to maintain any paper circulation, at par with specie, that is not convertible into specie at the will of the holder. If we are not ready to admit this, the history, not only of all other countries, but of our own country, must have been lost upon us.

The gentleman next proceeds, after this strong testimony in favor even of broken banks, to descant vehemently upon the dangers which he now apprehends from the whole banking system, and of course even from good banks! He has classed all these dangers very systematically, and finds that the banking system is full of dangers: 1st, to civil liberty; 2dly, to industry; and, 3dly, to the moral and intellectual development of mankind.*

Now, as relates to liberty, the only question is, whether the extending the property and business of the great mass of mankind can be adverse and unfavorable to liberty. If the raising the great mass of men to a better condition—if surrounding them with greater comforts and greater abundance of all things—if thus raising their social condition is unfavorable to liberty, then indeed the banking system, or, in other words, the credit system, (for it is the same thing; they are identical,) is, as the gentleman maintains, full of danger to liberty; for it is that very system, and none other, which, within the last two hundred years, has raised the condition of the body of the people in all commercial countries. It is that system which has made the working men and the industrious classes of modern times superior even to the landed proprietors and feudal lords of former times.

The institution of banks is one part in that great system of trade, commerce, and credit, which has grown up within the last two centuries; and, let me ask, what has been the progress of liberty during the lapse of these centuries? Does not the slightest retrospect confute the gentleman's argument? Are the ideas of liberty now less distinct, or its enjoyment less general, or less secure, than in the days of the Stuarts? If banks are useful to trade and commerce—if they give to industry the facilities of capital—if they thus raise the mass of society into a better condition—providing for them better—making them richer—multiplying the means of employment for all—enabling the industrious to maintain themselves better, and to educate their children better, who is ready to assert that all this has an unfavorable effect on the progress of civil liberty?

In reply to my arguments on a former day, showing it to be the duty of the Government to regulate the currency, (which I can agree with the gentleman in calling the very life-blood of the political body,) the honorable gentleman asserts that Government has no right to interfere with individuals. He therefore proposes individual banking, and maintains that credit is a man's private property; that Government has no more right to interfere with this than with any other kind of property; that Government has no right to put restrictions of any kind upon it. But this, which the gentleman asserts is not the right of Government, is the very and the especial object for which Government is instituted. Government does interfere and place restrictions in a thousand ways upon every kind of individual property; and it is done, and is necessarily done, by every Government for the good of the whole community. But if the gentleman is so very desirous of establishing such a system of private individual banking, he need not go far, he need not even stir from his seat, he may see everywhere around him all the blessings of the system of individual irresponsible banking which he recommends. If this is the currency which the Government seeks to give us, we have got it!

The gentleman's system has been tried, it is now upon us; and the country has suffered enough, and too much, from it already. Years ago, as well as now, we had private banking—every body turned banker—every body put out his notes for circulation, till it was at last found necessary to restrain this right—this very right which the gentleman says Government has not the right to restrain; a right which, however, has more than once been proved to be, after all, nothing more than the right of practising fraud and imposition upon the people. Many, perhap smost, of the States, therefore, have restrained it by law. It is the very necessity of checking and restraining the licentious exercise of this individual right which is the origin of banking communities.

By the institution of such corporations, the common right is restricted for the sake of the good of the whole, and the issue of paper as money is made to be founded on assigned capital, on recognised credit, and issued under an administration of responsible citizens, responsible, individually and corporately, to the laws. It is to restrain a right which leads to so much imposition, that it has been found necessary to create banking communities, and by means of them to establish commercial credit on a safe foundation. This is the system of credit which the gentleman is now joined with the administration to uproot and to destroy; instead of this, he would let loose individual bankers with their spurious paper all over the country; and, in proof of the expediency of doing all this, he maintains that the banking system is full of danger to liberty! That it may be dangerous to the liberty of defrauding and imposing upon the poor, I have already conceded to him, and believe there are few who will not agree with me that this, if a danger, is a wholesome and valuable one.

But the gentleman has also discovered, not only that the credit system is full of danger against liberty, but that it exercises a pernicious influence upon the industry of the people! This indeed is to me entirely new! Surely the gentleman has been dealing with things unreal and imagi-

* This proposition of Mr. CALHOUN's is quite softened down, and almost suppressed, in the printed speech.—*Note by the Reporter.*

nary! It is quite a new thing to me that the young men of our country are, as the gentleman says, seeking after an education to make themselves banker's clerks; and that there is no other road to distinction but employment behind the counter and in the banking houses! How long has this danger been hanging over the land, and has never till now been seen or suspected, or dreamt of? Even the late illustrious President, and the gentleman from Missouri [Mr. Benton] never discovered or suspected so much as this in all their industry and zeal against the banking institutions of the country. It is quite novel to me, that the ingenious youths of the country, in all the colleges and halls, are only seeking to prepare themselves to be cashiers and tellers, writers and accountants! I have never heard that their desire of distinction has taken such a turn, or that, out of regard to such pursuits, they had stifled their ambition for literary and professional distinction. On the contrary, if we look at the subject as it is, we shall discover that a well-regulated banking system is eminently favorable to the industry of the people, by assisting the industrious who have no capital, and lending aid to enterprise, which otherwise would waste itself in ineffectual efforts. This system, invaluable to our country, has a tendency to break down the influence which dead capital confers upon the few who possess it, while it lifts up the many who have got no capital. In so doing, it promotes industry, and betters the condition of the greater number. Look at our villages and manufacturing cities in the North, are they smitten and withered, and destroyed by this system? They all have their banks, which are established according to the necessities and prospects of the people; and wherever they are, there industry is seen in full and vigorous operation, and the people busy in prosperous employment. But where the credit system, by any cause, is prostrate and injured, (as it now is,) and its action made to cease, the hum of business is silenced, and the industrious community, the mass of the people, is thrown out of employment.

Let us look at things as they are, and let us not be driven by denunciations against institutions which exist in all the States. That these institutions have been abused, is very probable; but how shall that be remedied? After all I have heard from the gentleman and his coadjutors, I can find the only remedy they propose is to withdraw from them! To withdraw from them! but will that remedy any evils of the system? Men might as well think of putting out a fire by merely going away from the fire? If we saw a house in flames, and the blaze rushing out through the windows, who would think of recommending as a means of extinguishing the fire, to withdraw, to go away, and leave the house and the fire to themselves? The system is with us, and cannot be got rid of, even if it were desirable to get rid of it. It is, therefore, our duty to do what we can to regulate it. It is our duty, as practical men, taking things as we find them, and seeing that to eradicate is not possible, but to mitigate every evil is easy—it is, under such circumstances, our paramount duty to render the currency which we have the best possible. Instead of this, the administration proposes to do nothing, and the honorable gentleman echoes back the advice, and proposes to withdraw, to divorce from the system! But, does the gentleman think, that if there are evils, those evils will be less when all remedy is withdrawn?

With respect to the two currencies, one of specie for the Government, and the other of depreciated paper for the people, the reasoning we have heard is this: "Would you have Government take bad money for its dues? If the people are willing to take such a depreciated medium, ought the Government to take it?

This, sir, is not our point of objection; we do not wish the Government to take bad money because the people are obliged to take it: what we complain of is, that the administration does nothing, and proposes nothing, to make this bad money of the people better. We want an equality; that both Government and people share the same fate, and use the same money, and that the Government perform its duty of rendering the money, the currency of the people, sound and good.

It is this equality which I desire; not that Government should take bad money, but that it should take such proper measures that there may be no bad money to take! That the people first, and then the Government, may have and receive good money. This can only be done by regulating the currency. It cannot be done by continuing a wild warfare against the credit, the currency, the money of the people. This has been done—it is the duty of Government to do this; and if ever we are to see prosperity again, it must be done again. But the vice of the message, the defect of this measure and of this amendment, is, that nothing is attempted for the people; Government looks out for its own part, it takes good care for the lion's share, and leaves all the rest to chance and accident! Again, I assert and maintain that it is the duty of the Government to give effectual relief to the people; and to the people first and most especially; for, if the people are relieved from a bad currency, it is plain enough there would be no bad currency for the Government to receive. Then this invidious and selfish measure of one currency for the Government and another for the people would be rendered unnecessary. It is the duty of the Government to do what it can; its power is a trust power; it was not created for itself alone. Its object is the good of the people, and now is not the time to disavow and neglect that object by leaving the country to suffer, and only providing for itself.

I shall detain the Senate, sir, with a few remarks only in reply to the gentleman from Pennsylvania, [Mr. Buchanan.]

The gentleman has met the question fairly. He denies that there is any power or duty belonging to this Government, such as I have attempted to maintain. He denies that it is incumbent on Congress to maintain a sound and uniform currency, or to have any thing to do with currency or exchange beyond the regulation of coin. I am glad to see the honorable member take this distinct gound. All see now what the question is.

The gentleman remarked, that I had abandoned that part of the constitution which is usually relied on as giving Congress power to establish a bank; that is to say, the power to lay and collect taxes. But you will remember, sir, that I was not discussing the power to create a bank; although, certainly, I have no doubt of the power. I was not contending merely for something that should aid in the collection of taxes; I was speaking of the power and duty of providing a sound currency for the whole country; a power and a duty which would both belong to this Government, if another dollar of taxes was never to be collected. Yes, sir, if we knew, this day, that the proceeds of the sales of the public lands would yield revenues equal to all the wants of the Government for a hundred years to come, our want of a currency would be the same, and the duty of Government to provide it the same, as it now is.

The gentleman argues, too, that a power to provide a currency cannot be drawn from the commercial power granted to Congress; because, he says, that power is only to regulate commerce, and to regulate is not to create. This is not quite correct; there are many forms of expression, in our language, especially those in which complex operations are described, in which to regulate, means to cause, or to produce. But, suppose I concede to the gentleman that to regulate never means to create. What then? Would that prove that Congress could not create a currency, in order thereby to regulate commerce? May it not be necessary to make one thing, in order to regulate another? Let us take the gentleman's own illustration. He says Congress has power to regulate the value

of foreign coin; but that this cannot mean that it has the power to create such coin. Very true; but then, it may make the steelyards, or the scales, (may it not?) as necessary instruments, to ascertain that value which is to be regulated. It may establish an assay, on any scale it chooses.

We have just passed a bill authorizing the Treasury Department to make and issue Treasury notes; and we have done this, under the power to borrow money; and certainly the honorable member himself, did not doubt, in that case, that, in exercising a clear constitutional power, we had a right to make any thing, which became necessary, as an instrument, to its convenient execution.

The power of Congress, therefore, over the currency; its power to regulate all currency, metallic or paper; and its power, and its duty, to provide and maintain a sound and universal currency, belongs to it as an indispensable and inseparable part of its general authority to regulate commerce.

But, sir, I might safely go much further than this. It could be shown, from a hundred instances, that the power to regulate commerce has been held to be broad enough to include an authority to do things, to make things, to create things, which are useful and beneficial to commerce; things which are not so much regulations of commerce, in a strict sense, as they are aids and assistances to commerce. The gentleman himself, I will undertake to say, has voted for laws, for such purposes, very often.

Mr. President, we have appropriated, I know not how much more, or how much less, than a million of dollars, for a breakwater in the mouth of the Delaware. The gentleman has concurred in these appropriations. Now, sir, we did not propose to regulate a breakwater; we proposed to make it, to create it. In order to regulate commerce, and to regulate it beneficially, Congress resolved to create a breakwater; and the honorable member never found any constitutional difficulty in the way, so far as I remember. And yet, sir, a breakwater is not essential and indispensable to commerce it is only useful and beneficial. But a sound currency, of universal and equal credit, is essential to the enjoyment of the just advantages of the intercourse between the States.

The light-houses on the seacoast, and on the lakes, and all the piers, buoys, and harbors, have been created, in like manner, simply by the power of Congress to regulate commerce.

Mr. President, the honorable member from Pennsylvania, growing warm in the progress of his speech, at length burst out into an exclamation: "What," said he "would the framers of the constitution say, could they be now present, and hear the doctrines for which the member from Massachusetts contends."

Sir, I have already quoted the language of several of these good and great men. I rely on their opinions, fully and clearly expressed. I have quoted Mr. Madison among others; but, sir, to use the language of the forum, I am willing to call the witness again into court, and to examine him further. Mr. Madison, all will admit, is a competent witness. He had as much to do as any man in framing the constitution, and as much to do as any man in administering it. Nobody, among the living or the dead, is more fit to be consulted, on a question growing out of it; and he is far from being considered as a latitudinarian, in his mode of construction. I will then, sir, question him further.

Be it remembered, sir, that my proposition simply is, that it is a part of the power and duty of Congress to maintain a general currency, suitable to the state of things existing among us, for the use of commerce and the people.

Now, sir, what says Mr. Madison? I read from his message of December, 1816:

"Upon this general view of the subject, it is obvious that there is only wanting, to the fiscal prosperity of the Government, the restoration of a uniform medium of exchange. The resources and the faith of the nation, displayed in the system which Congress has established, ensure respect and confidence both at home and abroad. The local accumulations of the revenue have already enabled the Treasury to meet the public engagements in the local currency of most of the States; and it is expected that the same cause will produce the same effect throughout the Union. But, for the interests of the community at large, as well as for the purposes of the Treasury, it is essential that the nation should possess a currency of equal value, credit, and use, wherever it may circulate. The constitution has intrusted Congress, exclusively, with the power of creating and regulating a currency of that description; and the measures which were taken during the last session, in execution of the power, give every promise of success. The Bank of the United States has been organized under auspices the most favorable, and cannot fail to be an important auxiliary to those measures."

And now, sir, I hand the witness over to the gentleman for cross-examination.

But, sir, if the honorable member from Pennsylvania could overthrow my proposition, he would equally overthrow his friend from South Carolina; because that gentleman admits that there must be a paper currency of some kind; and that, a paper currency issued by the authority of Government. And if we both fall, we shall pull down along with us (which mercy forefend) the Secretary of the Treasury, report and all; for it is one of the leading objects of that luminous paper to show how far Government issues might usefully become the medium of payment and the means of circulation. And, indeed, every vote given in Congress for the Treasury note bill—the gentleman's own vote, if given, or so far as given, on the ground that Treasury notes shall pass from hand to hand as currency—is a refutation of his argument.

Mr. President, this power of the currency, for which I am contending, is in the constitution; the authority of Congress over commerce would be radically deficient without it; the power has been admitted, acknowledged, and exercised. To deny that this power is in the constitution, is to rewrite the constitution, to reconstruct it, to take it away, and give us a substitute. To deny that the power has been acknowledged, and exercised, is to contradict history, and to reverse facts.

Mr. BUCHANAN said he had not flattered himself that the remarks which he had made some days ago, in answer to the Senator from Massachusetts, would have called him out in reply. It has, sir, been already reported over the whole country, by a portion of the newspaper press, that the blows which I aimed at him, with a feeble hand, had been repelled by his adamantine armor, without leaving the slightest impression. Besides, (said Mr. B.,) I have since been utterly prostrated, according to the same reports, by the Senator from South Carolina, [Mr. PRESTON,] and so belabored after I was down that I can scarcely now be recognised by my most intimate friends. Under these painful circumstances, it affords me a ray of comfort to find that the Senator from Massachusetts has deemed my argument worthy of a studied reply. I hope it may not be considered presumptuous in me to say a few words by way of rejoinder.

Heaven forbid (said Mr. B.) that I should be forced to lie down in the same bed with the Senator from Massachusetts, the Senator from South Carolina, [Mr. CALHOUN,] and the Secretary of the Treasury. For a man of peace like myself, the bed of Procrustes would be mercy compared with such a fellowship. Never were there more ill-assorted and heterogeneous materials brought together. If my argument has made the three gentlemen lie down together in the same bed, as the Senator has asserted, there

let them lie as best they can. I beg to be excused from becoming a partner with this triple alliance, conscious that in that event my fate would deserve to be pitied. I shall endeavor to sustain myself alone.

I have not contended that the Government might not, under the constitution, draw in favor of public creditors upon its own revenue in the hands of its own depositories, and that these drafts might not circulate as currency between their date and the time of their presentation for payment. Neither have I contended that the Government had no power to borrow money, and issue Treasury notes for the amount, in order to meet appropriations made by Congress. Such drafts and such Treasury notes, whilst limited in amount to the actual wants of the Government, are necessary for conducting the business of the Treasury. Did the Senator from Massachusetts undertand me to have maintained that such an exercise of power would be a violation of the constitution?

[Mr. Webster answered that he did not so understand the gentleman. It had been his purpose to maintain that it was both the right and the duty of the Government to establish a paper currency as a medium of commerce for the country. He did not confine himself to the limits prescribed by the gentleman.]

The Senator and myself (said Mr. B.) understand each other perfectly. What, then, is his proposition? That Congress possessing the express power "to regulate commerce with foreign nations and among the several States," there results from this power, by implication, a power to create a paper currency of sufficient amount to furnish a medium for our foreign and domestic exchanges. Now, sir, can such a vast power be derived, by any fair construction, from this provision of the constitution? That is the true question. The gentleman soars far above the disputed power to create a national bank, and incidentally, through its agency, to furnish a paper currency for the country. He leaves this at an immeasurable distance behind, and contends that the Government possesses the general power to create such a currency for the people by its own direct action, and without the agency of any bank whatever.

I did say, and I now repeat, that the sturdy patriots who formed the constitution, and who conferred power upon the Government with a jealous hand, would have been greatly astonished had they been informed that such a power to create a paper currency as that now contended for could be found lurking in concealment under this grant to regulate commerce. The Senator has again appealed to the authority of Mr. Madison; and, in my opinion, again appealed to it in vain. He must call some other witness into court before he can establish his position. The point to be maintained is that the fathers of the constitution, or any of them, had ever held that a general power to create a paper currency was incidental to the exercise of the power to regulate our commence. Does Mr. Madison any where express any such opinion? Has the Senator shown that any of the fathers of the constitution had ever asserted any such proposition? No, sir. Of all the important powers conferred by the constitution upon Congress, the history of the times will prove that the power over commerce was considered the most simple and easily understood, and the least liable to misconstruction.

I shall not read to the Senate the passage from Mr. Madison's message of December, 1816, which has just been read by the gentleman. The circumstances under which it was written, as well as the language employed, will clearly point to its meaning. Specie payments had been suspended throughout the country; and our currency then, as now, composed of inconvertible bank paper. Mr. Madison had waived his constitutional objections to a Bank of the United States, and in April, 1816, had approved the act to charter that institution. Besides, Congress had, in the same month adopted a resolution to compel the payment of the public dues in specie, or in the notes of specie-paying banks. Mr. Madison is evidently speaking in reference to these two measures in this extract from his message. It is true, he asserts that the constitution has entrusted Congress exclusively with the power of creating and regulating a currency of equal value, credit, and use, wherever it may circulate; but does he not here evidently refer to the power "to coin money and regulate the value thereof?" Is there any other clause of the constitution to which he could refer? He calculated much on the power of the Bank of the United States "as an important auxiliary" in restoring this constitutional currency, and banishing irredeemable paper; but does he any where suggest, or even intimate, that Congress possesses the general power to create a paper currency for the country, as a means of regulating commerce? This is the point which the Senator must prove, or that part of his argument which rests upon authority must fall to the ground. No, sir, the Senator himself is the first individual, since the adoption of the constitution, who has asserted this proposition. It is original with himself. He has produced no authority to prove that any of the fathers of the constitution ever held such doctrine.

The Senator contends that a power to regulate commerce, by implication, confers the power to create a paper circulating medium by which commerce can be conducted. Now, if I were even to admit this inference, contrary, in my opinion, both to the letter and spirit of the constitution, still the gentleman would be far from establishing his proposition. And why? Because, when the constitution confers an express power, and provides, in express terms, the means by which it shall be exercised, it would be a violation of every sound rule of construction to call in the aid of implication to create another and a different means of accomplishing the same end. Now, the constitution has provided gold and silver coin, and no other currency, as the medium by which commerce is to be conducted; how, then, can the gentleman create a paper currency by implication? Congress have established mints to coin hard money in execution of this power; how, then, can he establish paper mints to manufacture paper money for the very same purpose? To use a law maxim, the expression of the one is the exclusion of the other. If the framers of the constitution had intended to confer such a power, they would have added to the power "to coin money and regulate the value thereof," that of issuing paper money. Now, sir, can any person, at all acquainted with the history of those times, believe that such a proposition would have received a single vote in the convention?

Is there a word in the English language which has a more precise signification than the word "regulate?" Does it not necessarily imply the previous existence of something to be regulated? In this sense it has been used by the framers of the constitution themselves, in conferring the coining power. They first give the power "to coin money," and after money has thus been created, then they add the power to "regulate" its value. They thus clearly mark the distinction between the two words. In respect to commerce—it had existed in this country from its first settlement. From the mode in which it was regulated by thirteen independent sovereignties, it became absolutely necessary, in order to produce uniformity and to prevent perpetual collisions, that this power of regulation should be transferred from the States to Congress. The subject-matter on which this power was to operate was the commerce then in existence, and all which might be called into existence in after-times by the energy and enterprise of our citizens. A mere power to regulate, not to create, was therefore given. If the Senator's argument be well founded, then, by a much less strained construction, Congress possesses the power to create or build ships—to embark in the carrying trade—to construct roads and canals through-

out the different states, without or against their consent—and to assume jurisdiction over these improvements. This clause, in the hands of the gentleman, would indeed become a prolific source of federal power. No, sir, we possess no such power to create paper money. If we do, the jealousy of those who framed the constitution was vain, and the powers which you may confer on this Government, by implication, vastly transcend those which have been expressly granted. The constitution may be made to assume any form and any feature at pleasure. It contains no guaranty for liberty, none for the reserved rights of the States.

What, sir, is its obvious meaning, when construed by common sense? Would a plain man, of sound understanding ever imagine that an unlimited power to create paper money could be inferred from the power to regulate commerce? Can any two things be more remote from each other than these two subjects? It requires a chain of metaphysical reasoning even to make them seem to approach each other. And yet they are made cause and effect, according to the Senator's argument.

I am sorry, sir, that upon this subject the gentleman has not shown his entire hand. He has cut himself loose from the Bank of the United States, and all bank paper. This we know; but we are left in ignorance as to what kind of paper money he desires to create.

["Give me the power," (said Mr. WEBSTER,) "and I will then tell the gentleman."]

Mr. B. I desire to know, in advance, how the Senator would execute this power. He has kept his plan entirely in the dark. The Delphic oracle never was more mysterious. Who, sir, or what is to issue this paper money? It is not a Bank of the United States—nor is his paper medium to be bank notes. I wish to know what kind of a paper mint he intends to establish, and what will be the nature of its issues. Then, and not till then, can the question be fairly discussed, and the issue, which he so much desires, be made before the people of the country. They demand something tangible. They do not deal in abstractions. They must be able to judge in advance as to how the system will probably operate, before they give it their approbation. If the Senator ever expects to be elevated, by popular suffrage, to a higher station than the one he now occupies, he must no longer clothe himself in mystery, but make known his plan in detail. A general assertion of the power, without any statement of the particular mode in which it is to be exercised, will never satisfy the people of this country. I confess, for one, I should be glad if he would be more explicit on the subject, and inform us what kind of paper he intends to issue.

After all, the manner in which the Senator has attempted to sustain himself, in deducing the power to create paper money from that to regulate commerce, considering his great abilities, has been of such an unsatisfactory character, at least to my mind, as to confirm rather than to shake my former convictions.

The question was then put on Mr. CALHOUN's amendment, which was as follows:

Add the following as a new section:

Sec. —. *And be it further enacted*, That from and after the first day of January, eighteen hundred and thirty-eight, the resolution of eighteen hundred and sixteen, authorizing the receiving of notes of specie-paying banks in dues to the Government, shall be so modified that only three-fourths of the amount due to the Government for duties, taxes, sales of public lands, or other debts, may be received in the notes of specie-paying banks; and that from and after the first day of January, eighteen hundred and thirty-nine, one-half may be so received; and from and after the first day of January, eighteen hundred and forty, one-fourth; and from and after the first day of January, eighteen hundred and forty-one, all sums due for duties, sales of public lands, or other debts to the Government, and all payments to the General Post Office, shall be paid in gold and silver coin only, or in such notes, bills, or paper, issued under the authority of the United States, as may be directed to be received by law; and from and after the said first day of January, in the year eighteen hundred and forty-one, every officer or agent engaged in making disbursements on account of the United States, or of the General Post Office, shall make all payments in gold and silver coin only, or in such notes, bills, or paper, issued as aforesaid, when authorized by law; and any receiving or disbursing officer, or agent, who shall neglect, evade, or violate the provisions of this section, shall be dismissed the service, and shall forfeit all compensation which may then be due him.

And the amendment was adopted by the following vote:

YEAS—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Linn, Morris, Niles, Norvell, Pierce, Roane, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright, Young—24.

NAYS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Kent, King of Georgia, Knight, McKean, Nicholas, Prentiss, Preston, Rives, Robbins, Robinson, Smith of Indiana, Southard, Spence, Swift, Tallmadge, Tipton, Webster, White—23.

The amendment offered by Mr. RIVES as a substitute for the whole bill (authorizing the reception of the bills of all specie-paying banks not issuing notes of less than $20,) was then tried, and lost by the following vote:

YEAS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Kent, King of Georgia, Knight, McKean, Nicholas, Prentiss, Preston, Rives, Robbins, Smith of Indiana, Southard, Spence, Swift, Tallmadge, Tipton, Webster, White—22.

NAYS—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Linn, Lyon, Morris, Niles, Norvell, Pierce, Roane, Robinson, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright, Young—26.

Mr. PRESTON then offered a substitute for the bill, making it the duty of the Secretary of the Treasury to make special deposites of the accruing revenues of the United States in banks most conveniently situated, and to make such terms with them as in his judgment would best promote the public interest.

This substitute was lost by the following vote:

YEAS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Kent, King of Georgia, Knight, McKean, Nicholas, Prentiss, Preston, Rives, Robbins, Smith of Indiana, Southard, Spence, Swift, Tallmadge, Tipton, Webster, White—22.

NAYS—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Linn, Lyon, Morris, Niles, Norvell, Pierce, Roane, Robinson, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright, Young—26.

Mr. BUCHANAN then moved an amendment, "That it shall be the duty of the Secretary of the Treasury to prescribe regulations to enforce the presentation of all Government drafts for payment at the place where payable; and to prescribe the time—according to the different distances of the depositories—within which they shall be presented for payment."

Mr. CRITTENDEN deprecated the great and arbitrary power conferred by such a clause upon the Secretary.

Mr. BUCHANAN then amended his own amendment by adding to it the following:

"And in default of such presentation, to prescribe any other mode and place of payment which he may deem proper."

The amendment, so modified, was agreed to.

A long discussion took place on an amendment offered by

Mr. Morris, proposing that no notes should be received from any bank which were not payable at the place of issue.

Mr. STRANGE offered, as an amendment to Mr. Morris's, amendment, to strike out the restriction as to notes under $5; which amendment prevailed as follows:

Yeas—Messrs. Bayard, Brown, Calhoun, Clay of Ala. Clayton, Fulton, Grundy, Hubbard, Kent, King of Ala., Knight, Linn, Lyon, Nicholas, Prentiss, Roane, Robbins, Sevier, Spence, Strange, Swift, Wall, Wright, Young—24.

Nays—Messrs. Allen, Benton, Black Buchanan, Clay of Kentucky, Davis, King of Georgia, McKean, Morris, Niles, Norvell, Pierce, Rives, Robinson, Smith of Conn., Smith of Ind., Tipton, Walker, White, Williams—20.

Mr. Morris's amendment, as amended, was then adopted: Ayes 26, noes not counted.

Mr. BENTON offered an amendment authorizing a premium of one per cent. on gold coin paid into the Treasury; which being objected to, he laid it on the table, with a view to attach it to some other bill.

The bill as amended was then ordered to a third reading by the following vote:

Yeas—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Linn, Lyon, Niles, Norvell, Pierce, Roane, Robinson, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright, Young—25.

Nays—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Davis, Kent, King of Geo., Knight, McKean, Nicholas, Prentiss, Preston, Rives, Robbins, Smith of Indiana, Southard, Spence, Swift, Tallmadge, Tipton, Webster, White—23.

On motion of Mr. Clay, of Alabama,

The Senate adjourned.

Wednesday, October 4.

ATTORNEYS' FEES.

The bill regulating the fees of district attorneys in the renewal of merchants' bonds was called up for consideration.

Amendments to this bill were offered by Mr. Clayton and Mr. Clay, of Alabama, and some remarks made, which were not distinctly heard.

Mr. CLAY, of Kentucky, said he would have been better satisfied if the Committee on the Judiciary had reported a different bill; for if it passed in its present shape the attorney's fees for the city of New York would amount to between twenty and thirty thousand dollars, so numerous were the bonds to be renewed under existing emergencies.

Why (said Mr. C.) take the business out of the hands of the collector of the customs? Why not let him renew the bonds, and give him the same fee for the renewal that was charged on the original document? On what pretence are they handed over to the attorney unless for suit? In which case, he was entitled to his fees.

The tax of five dollars, as contemplated by the bill, would fall heavily on the class of small importers, many of whose bonds did not exceed fifty dollars. Five dollars on that sum—ten per cent. on the whole amount—would be unreasonable; while bonds for a very considerable amount were subjected only to the like charge. There was no equity, no propriety in such a measure. He would propose to remodify the bill entirely.

Mr. GRUNDY said the object of the bill was to secure to the attorney five dollars, and allow no further charge. The usage in New York was, when papers were placed in the hands of an attorney, to charge certain fees whether the suit was brought or not; it was the custom, he understood, in that State, though certainly not in any other, as far as his knowledge went, and he presumed it was under this law that the attorney had received the fees so much complained of.

Mr. BUCHANAN said the repeated attention of Congress had been called to the subject of fees of Government officers; but as yet no adequate remedy had been provided. Fees varied in the different States as much as two, three, and even four hundred per cent. He believed they acted under a law of Congress of 1799, which left the control to the ever-varing laws of the States. He had consulted the Solicitor of the Treasury on the subject, and had been told by that distinguished officer, that in three-fourths of the States no charge whatever was made; while acting in the capacity of district attorney, that officer had never received a farthing for such duty. Mr. B. agreed with the Senator from Kentucky, that five dollars, ten per cent., on a bond of fifty dollars—as much as was exacted for a large one—was unjust. To obviate that difficuly, and do justice as far as practicable, he would propose to amend the bill, so as to make the fee five dollars on all bonds exceeding five hundred dollars, and two dollars for all of and under that sum, instead of five on all classes, as reported by the bill.

Mr. TALLMADGE was of opinion that it would be better to postpone the subject, and lay the bill on the table until something definite could be fixed on. The fees received by the district attorney were in entire accordance with the usage of the courts. Mr. T. went into an explanation of the manner in which the practice was regulated in the State of New York, and the fees law officers were entitled to under the present regulations. The bill as offered to be amended by the gentleman from Pennsylvania, [Mr. Buchanan,] graduated the fees for the renewal of bonds of a small amount; but he doubted whether more than five dollars was charged for the mere renewal. Mr. T. said he had conversed the other day with a merchant from New York, who told him that he had been surety on thirty-one bonds; for renewing these the district attorney had charged only two dollars on each bond, making sixty-two dollars for the whole, which was far less even than proposed by the Senator from Pennsylvania.

Mr. WEBSTER said when he introduced his resolution, he mentioned that, from the enormous amount exacted, he presumed there was some mistake, but the facts were for the committee to investigate. He had since received a letter on the subject, which should go to the Committee on the Judiciary for their inspection. The charge made by the district attorney was, according to his own showing, $6 64; which charge he presumed was according to the old English rule of taxing by the folio, (so mony words;) and if that were the fact, the attorney might be entitled to that amount; but he thought it high, as blank bonds were now printed, and hence the expense materially lessened. There were now more than four thousand bonds to renew, and he thought two dollars on each would be sufficient. It was the matter of fees, however, that was most complained of, which the bill before them did not touch. Evils or abuses were contagious; and he feared, unless the bill covered the whole ground, we should find the fees in other places based on the system at New York.

Mr. WRIGHT went into some explanation of the practice of the State in relation to fees, and said, in justice to the district attorney of New York, that the fees received by him were legal, and such as citizens paid in like cases. The highest charge made for a mere renewal in any case, had never been more than six dollars and sixty-four cents; and in cases where the amount of the bond did not exceed two hundred dollars, he had invariably remitted one-third even of that charge. Where so many bonds were to be renewed, as would be the case at present, he thought the fee high; but in places where there were only a few bonds, he was not prepared to say it was too high.

The question on Mr. Tallmadge's motion to lay the bill on the table being taken, it was decided in the affirmative.

THE SUB-TREASURY BILL.

The following engrossed bill was read the third time, viz:

A bill imposing additional duties as depositaries, in certain cases, on public officers.

Be it enacted, &c., That the Treasurer of the United States, the treasurers of the mint and its branches, all collectors of the customs, and surveyors acting in that capacity, all receivers of public money, and postmasters, be, and they are hereby, required to keep safely, without loaning or using, all the public money collected by them, or otherwise at any time placed in their possession, till the same is ordered by the proper department to be transferred or paid out; in which cases, the transfers and payments shall be faithfully made by them as directed, and all other duties performed as fiscal agents, which may be imposed by this or former acts of Congress, or by any regulation of the Treasury Department made in conformity thereto.

Sec. 2. *And be it further enacted*, That all marshals, district attorneys, and others having public money to pay over, and all patentees wishing to make payment to the United States, may make the same to the Treasurer in this city, or to the mint and its branches, when near or convenient; and, when not, may deposite the same with such collector, receiver, or other depositary, as may be more conveniently situated, and may be selected for that purpose by the Secretary of the Treasury.

Sec. 3. *And be it further enacted*, That whenever the public money in the possession of any depositary, by collection, transfer, or payment, shall be inconveniently situated for public use, or shall accumulate so as to exceed the amount of the existing bond of any such officer, any part of it, or the excess (as the case may be) shall either be drawn out for payments, or to be transferred elsewhere to some other depositary; or the Secretary of the Treasury shall require such additional security as may be considered proper and safe; and in the mean time, bonds, new and suitable in their terms, shall in all cases, at as early a day as possible after the passage of this act, be required of all depositaries, in such sums and form as may be deemed reasonable and secure by the Solicitor of the Treasury, for the performance of all the duties required under the same or any previous laws.

Sec. 4. *And be it further enacted*, That the said officers, respectively, may be allowed any necessary additional expenses for clerks, fire-proof chests, or vaults, or other necessary expenses, of safe-keeping, transferring, and disbursing said moneys; all such expenses, of every character, to be first expressly authorized by the Secretary of the Treasury, whose directions upon all the above subjects, by way of regulation and otherwise, are to be strictly followed by all the said officers.

Sec. 5. *And be it further enacted*, That the Secretary of the Treasury shall be, and he is hereby, authorized to cause examinations to be made of the books, accounts, and money on hand, of the several officers charged by this act with the safe-keeping, transfer, and disbursements of the public moneys; and for that purpose to appoint special agents, as occasion may require, with such reasonable compensation as he may allow, to be fixed and declared at the time of each appointment; which said examinations, in all cases where the sum on hand usually exceeds three-fourths of the amount of the officer's bond, shall not be made less frequently than once in each year, and as much more frequently, in those and all other cases, as the Secretary, in his discretion, shall direct. The agents selected to make these examinations shall be instructed to examine as well the books, accounts, and returns of the officer, as the money on hand, and the manner of its being kept, to the end that uniformity and accuracy in the accounts, as well as safety to the public moneys, may be secured thereby.

Sec. 6. *And be it further enacted*, That, in addition to the examinations provided for in the last preceding section, as a further guard over the public moneys, it shall be the duty of each naval officer and surveyor, as a check upon the collector of the customs of their respective districts; of each register of a land office, as a check upon the receiver of his land office; and of the director and superintendent of each mint and branch mint, as a check upon the treasurers, respectively, of the said mints, at the close of each quarter of the year, and as much more frequently as they shall be directed to do so by the Secretary of the Treasury, to examine the books, accounts, returns, and money on hand, of the collectors, receivers, and treasurers, and to make a full, accurate, and faithful return to the Treasury Department of their condition.

Sec. 7. *And be it further enacted*, That the Secretary of the Treasury shall, with as much expedition as the convenience of the public business and the safety of the public funds will permit, withdraw the balances remaining with the late and present depositories of the public moneys, and confine the safe-keeping, transfer, and disbursement of those moneys to the depositaries established by this act.

Sec. 8. *And be it further enacted*, That, for the payment of the expenses authorized by this act, a sufficient sum be, and the same is hereby, appropriated, to be paid out of any money in the Treasury not otherwise appropriated.

Sec. 9. *And be it further enacted*, That all officers charged by this act with the safe-keeping, transfer, and disbursement of the public money, are hereby required to keep an accurate entry of each sum received, and of the kind of money in which it is received, and of each payment or transfer, and of the kind of currency in which they are made; and that if any one of the said officers shall convert to his own use, in any way whatsoever, or shall use by way of investment in any kind of property or merchandise, or shall loan, with or without interest, any portion of the public moneys intrusted to him for safe-keeping, disbursement, transfer, or for any other purpose, every such act shall be deemed and adjudged to be an embezzlement of so much of the said moneys as shall be thus taken, converted, invested, used, or loaned, which is hereby declared to be a high misdemeanor; and any officer or person convicted thereof before any court of the United States, of competent jurisdiction, shall be sentenced to imprisonment for a term of not less than two, nor more than five years, and to a fine equal to the amount of the money embezzled.

Sec. 10. *And be it further enacted*, That from and after the thirty-first day of December, eighteen hundred and thirty eight, the resolution of eighteen hundred and sixteen, authorizing the receiving of notes of specie-paying banks in dues to the Government, shall be so repealed that only three-fourths of the amount due to the Government, for duties, taxes, sales of public lands, or other debts, may be received in the notes of specie-paying banks; and that from and after the thirty-first day of December, eighteen hundred and thirty-nine, one-half should be so received; and from and after the thirty-first day of December, eighteen hundred and forty, one-fourth: *Provided*, That the notes of no bank shall be received which shall refuse to receive, in payment and deposite, at par with gold and silver, such Treasury notes, or bills, as Congress shall authorize to be received by law in the public dues: *Provided, further*, That no bank note of a less denomination than ten dollars, or which note shall not be passable where issued, shall be receivable into the Treasury of the United States; and from and after the thirty-first day of December, eighteen hundred and forty-one, all sums due for duties, sales of public lands, or other debts to the Government, and all payments to the General Post Office, shall be paid in gold and silver coin only, or in such notes, bills, or paper, issued under the authority of the United States, as may be directed to be received by law; and from and after the

said thirty-first day of December, in the year eighteen hundred and forty-one, every officer or agent engaged in making disbursements on account of the United States, or of the General Post Office, shall make all payments in gold and silver coin only, or in such notes, bills, or paper, issued as aforesaid, when authorized by law; and any receiving or disbursing officer, or agent, who shall neglect, evade, or violate the provisions of this section, shall be dismissed the service, and shall forfeit all compensation which may then be due him.

Sec. 11. *And be it further enacted*, That it shall be the duty of the Secretary of the Treasury to prescribe regulations to enforce the speedy presentation of all Government drafts, for payment, at the place where payable; and to prescribe the time, according to the different distances of the depositaries, within which they shall be presented for payment; and in default of such presentation, to prescribe any other mode and place of payment which he may deem proper.

The CHAIR having stated the question to be, "Shall the bill pass?"

Mr. CLAY, of Alabama, addressed the Senate to the following effect:

Mr. President: Before the vote is taken on the passage of this bill, I must ask the indulgence of the Senate for a few moments. Until very recently, I had intended to remain silent; but, regarding the importance of the measure, its capacity for good or evil effects throughout the country, and the responsibility of the vote I am about to give, I am anxious that the principles and views by which I am governed shall be correctly understood.

By the able debate, which has so long occupied the Senate, and to which I have listened with the deepest interest and attention, the measure before us has been made to assume a triple aspect. Shall we pass the bill under consideration, and confine the receipt and disbursement of the public money to individual officers and agents? Or, shall we continue the State banks and local institutions as our depositories and agents? Or, would it be better to charter a national bank? or recharter the late Bank of the United States? Thus has been brought in reveiw the whole history of the Government, as regards its financial affairs, and its agency in regulating the currency of the country.

I confess, sir, when this delicate and important subject was first brought forward, I had some hesitation, some doubt, as to its probable tendency; but the more I have reflected, deliberated, investigated the subject, the better I have become satisfied that its effects will be salutary, in regard to the immediate interests of the Government itself, and that they will not be pernicious; but, on the contrary, beneficial to the interests of the people—our constituents.

As the measure was at first proposed by the Committee on Finance, I apprehended the disconnexion—divorce, if you choose—of the Government from the banks would be too sudden, and would consequently cripple the banks, and occasion a shock in the monetary affairs of the country generally. But, sir, these apprehensions have been obviated and removed by the amendment offered by the Senator from South Carolina, [Mr. Calhoun,] as it is now modified. Under that amendment, the bills of such banks as now pay specie, or as may think proper to resume specie payments, will be receivable in payment, and to the full amount, of all public dues, for customs, lands, &c., till the 1st of January, 1839; thereafter, three-fourths of such public dues, till the 1st of January, 1840; thereafter one-half till the 1st of January, 1841; and, thereafter, one-fourth till the 1st of January, 1842.

Here, then, is inducement, held out to the banks now paying, to continue, and to such as have stopped, to resume, specie payments. We say to them, in effect—"we invite you to resume specie payments; show that you are solvent, that your notes are convertible into specie when desirable, and we will receive them in payment for public lands, and for all other revenue;" in the strong language of some of the gentlemen who have addressed us—"do this, and we will endorse your notes." What stronger motive could be held out to such banking institutions as are solvent, honest, and desirous to effectuate the purposes of their creation? If the public interest and convenience be the object of bank directors, as legitimately they ought, would they not, by responding to this invitation and offer on our part, give greater value to their paper—give it a wider circulation—and adapt it to the use and interest of the community? And would not such banks as resumed, at once derive all the advantages of superior credit, furnish the circulating medium, and do the business of the country, to the exclusion of such as failed, or refused to comply? The answer is palpable—no man can doubt on these questions.

Again, sir: The change in the mode of collecting the public revenue, in the kind of money receivable for it, will be so gradual as to occasion no shock whatever, to the credit of the banks, or to the commercial community. Before we entirely discontinue receiving bank paper, more than four years will have elapsed. All this time will be allowed for the banks and merchants to adapt their business to the new system contemplated, and conform their business to the new state of things. It will give time for the State Legislatures to regulate their banking institutions, so as, in future, to prevent over-issues of paper; to restrain them from generating, or encouraging, a spirit of overtrading and inordinate speculation; to restrain them from making promises they cannot redeem, and thus restore to the country a sound circulating medium, and the just equilibrium of trade, and business of every description.

Moreover, we ourselves shall have time to see how the new system works—to check its velocity, if it be too great—or accelerate it, if it be too slow; and modify it, in all respects, as its results may indicate to be safe and expedient. As already shown, no change in the description of funds, receivable for public dues, will take place for the next fifteen months; for the year 1839, a reduction of one-fourth; for 1840, one-half may be paid in specie-paying bank paper; and so on to the consummation of the plan. If it be discovered that the policy operates injurjously, there will be ample time to amend or modify it.

But, sir, I have no apprehension that any injurious result will follow the adoption of this measure. The chief embarrassments of the community have arisen out of inordinate expansions of the circulating medium, excessive accommodations, begetting extravagance, and reckless speculations; and then sudden contractions, withdrawals of those enormous loans, reductions of the amount of circulation, and thus, almost in a moment reducing the value of property one-third, sometimes one-half. The Government deposites have, doubtless, heretofore, nurtured and increased this propensity of all banks to excessive issues, and accommodations. They have loaned out the public money, as if their own, and when called upon to pay it over, they have been necessarily compelled to press and coerce payments from their borrowers, who had, in their turn, treated this borrowed money as their own; and have thus occasioned embarrassment, the sacrifice of property, and in too many instances, the impoverishment and ruin of their customers. To illustrate the correctness of these remarks, I need only refer you to the greater pecuniary distress and embarrassment of communities around any of the banks, which have been large depositories of the public money, compared with those remote from such institutions. If they have no large sums of public money on general deposite, on which to grant accommodations, they will know and understand better the proper limits to prescribe to their liberality; they will have no fluctuations, no augmentations, or diminutions of capital to mislead them; their accommodations will be more uniform, and the amount of their circulation bear some re-

lation to the amount of specie in their vaults. This being brought about, the value of produce, and property of all descriptions, will be more steady and uniform; we shall not have a negro, costing a thousand or fifteen hundred dollars to-day, sold twelve months hence to pay half the amount of consideration—land at one time worth fifty dollars per acre, at another not more than twenty—and our great staple, one while commanding twenty five dollars, and then not worth eight.

Let it not be said that the withdrawal of ten or twelve millions of dollars from the banks, were it even true that it is to be locked up for the year, is to produce any ruinous effect on the business of the country requiring a circulation of from one hundred and eighty to two hundred millions. Twelve millions will be a sufficient sum to carry on the Government, if economically administered; and, if collected and disbursed as the bill proposes, it will not be withdrawn from circulation or the general use. While it is being received almost daily, it will be returning to the circulation, in payments to the officers and agents of the Government, and those engaged in the public works, through whose hands it will pass into those of the farmers, who supply them with subsistence; of the mechanics who build their houses, and make their implements of husbandry; of the merchants who supply them with foreign and domestic manufactures; and, though last, not least with many of us, into the hands of keepers of hotels and boarding houses. Of the large sums, which are almost daily paid to the heads of departments, and their subordinate officers, to members of the two houses of Congress, to the military, judicial, and other officers of this Government, how much is locked up and withheld from circulation? Is it not a practical truth, which can be attested by all, that most of it is immediately paid out again to some of the other classes? How many members of Congress, heads of departments, or clerks, did any one ever know to hoard money, or get rich? The question is almost enough to produce a melancholy smile. A member of Congress, or any other officer of the Government, get rich! Why, sir, it is absurd: we all—at least many of us—can too truly attest the groundlessness and absurdity of such a proposition.

Then, why talk of abstracting from the business operations of society, the amount of the necessary revenue for the support of Government, as if, like the miser, the recipients would lock it up, or place it in the strong box of our Treasury, never again to see the light of day! Any such idea must be, practically, without foundation. With what propriety can gentlemen insist that we are establishing one currency for ourselves, and another for the people? No Senator has proposed, and I venture to say no one will propose, that the public dues should be received in any thing but gold and silver, specie-paying bank paper, or Government securities or paper. No one, here, has offered a proposition that the Government shall receive depreciated bank paper, and I trust never will. Do gentlemen pretend that it is for the individual benefit of the officers of Government, that specie, or its equivalent, is required? On the contrary, is it not to sustain the Government and its credit, and to give efficiency to its operations?

It has been well maintained that it will have the effect of making the local bank paper better. The issues of the banks being restricted, their paper will be convertible into specie; for all local purposes, at least, it will be of equal value, and answer the same ends; and if the banks are rendered sound, any one having their paper may get the specie, if desired.

But, sir, it is said this bill, if passed, will greatly increase the Executive patronage. This objection seems to have been transferred from the deposite banks, to which it was formerly urged, by the opponents of the administration, and applied to the system under consideration, so soon as it was proposed by the Executive. Whilst the late plan of receiving and disbursing the public money prevailed, the "pet banks" were to be regarded as the most execrable instruments of despotism ever conceived; as increasing the Executive patronage most enormously; as placing both the purse and the sword in the hands of the President; as subjecting every thing to the will of one man. Now, we find some of those, who formerly held these sentiments toward the "league of banks," after they have failed to realize the hopes and expectations of the administration and the people, ready to continue them, and deprecating the adoption of the policy recommended, as dangerously increasing the power of the Executive! According to my view of the subject, the Executive power and patronage will be greatly diminished by the proposed change. It has not been yet recommended by the Secretary of the Treasury, so far as I have seen, to increase the number of collecting and disbursing agents; and I see little necessity for the employment of any additional officers, unless it be a few clerks. In most places, the same officers, who have heretofore collected and paid over the public revenue to the banks, can collect, keep, and pay it out with equal facility. But, suppose one hundred additional officers were necessary, would it so increase the power of the Executive as to compare with that of seventy or eighty banking institutions? It is fair to suppose that there would be an average of an hundred stockholders, or more, in every institution, amounting in the aggregate to eight or ten thousand. These would be, principally, men of wealth and influence in society. Would not this number of individuals, under the influence of the Executive, with the control of such a vast amount of capital, be more dangerous to our liberties than a few additional collectors or clerks, bound and restricted as they are intended to be, by the provisions of this bill? It seems to me, sir, that instead of increasing, this measure might be much better entitled, a bill to diminish Executive patronage.

Sir, the Government ought, always, be able to command its funds, and have them ever ready to meet any exigency. Experience has taught us, that this cannot be expected while we rely on banks. Gentlemen tell us that, although the State banks have failed to meet our expectations, we ought to continue their agency. They ask us, would we discontinue the use of steamboats, because a boiler may sometimes explode, and produce fatal results? By no means, sir, while care and skill may reasonably be expected to insure safety, and prevent such calamities. But, were we to discover that the machinery is entirely uncontrollable, and the boiler liable to spontaneous combustion—carrying universal misery and death amongst the passengers and crew, in despite of all the science, vigilance, and fidelity of the engineer—would it be wise or prudent to trust ourselves on board? What would have been the situation of the country in May last, when the banks suspended specie payments, had we been involved in war with some powerful foreign enemy? Whatever might have been the emergency, we should not have been able to have commanded the resources of the nation. We might have been without a dollar for the pay or subsistence of an army to resist the invaders; our energies would have been crippled; and the most disastrous consequences might have followed. When we find that such is the unfortunate tendency of "the experiment," as gentlemen choose to call it, it is time we should abandon it, by whomsoever instituted or approved, heretofore.

But, sir, was not the Bank of the United States an "experiment," and has not that also failed to answer just expectation? No other Government but our own, ever did employ such a fiscal agent, with powers of the same magnitude. It was, indeed, a fearful experiment, and well nigh fatal in its results. Yet, the recharter of the late United States Bank, or the establishment of a new one, is now announced as the only efficient remedy—the sover-

eign panacea—for existing evils. The Senator from Kentucky [Mr. Clay] has, to my astonishment, gone so far as to identify the establishment of such an institution with the permanency of the Union! It would seem, the question of a national bank is always portentous—involving consequences of the most alarming character. Shortly after the removal of the deposites from the late Bank of the United States, we were told, by the same distinguished gentleman, that we were then "in the midst of a revolution!" and the sentiment was responded to, by the presses and politicians of the opposition, from one end of the Union to the other. We were told, on the very floors of Congress, that the deposites must be restored, or a revolution was at hand. The same sentiment was announced, when two members of Congress, during the same panic session, addressed an assembled multitude in Baltimore on Sunday. According to the newspapers of the day, it was said, by way of justification, "there were no Sabbaths in revolutionary times!" Sir, the subject of a national or United States bank cannot be touched without an attempt to produce excitement and agitation. It affords one of the most conclusive reasons, against the establishment of such an institution, that it has the ability to produce such tremendous effects. The concentration of such an immense moneyed power in the hands of a few individuals, is at war with our peace and quiet; too dangerous to our liberties. It would soon control all our elections, from the highest to the lowest, and direct the operations, nay, usurp the powers, of the Government itself.

The main if not the exclusive inducement, relied on by most of the friends of the late Bank of the United States, to justify its establishment, was to make it the depository of our public moneys, and the fiscal agent of the Government. I repeat, sir, that it failed to answer the purposes of its creation. I lay down the broad proposition, and undertake to demonstrate its correctness, by a reference to historical facts, that it was neither a safe nor fit depository or fiscal agent. No agent can be safe and proper that refuses obedience to the instructions of his principal, or wilfully acts at variance with them; nor can that agent be suitable that seeks to control his principal. To this proposition, no intelligent and impartial individual, or tribunal, can withhold ready assent. I might refer to many acts of the institution alluded to, showing its unfitness under the principle laid down; a few may suffice on this occasion.

"To pay the debts" of the nation is a power as expressly confided to Congress, and the executive officers of the Government, as any other to be found in the constitution. In the performance of this duty, about the month of March, 1832, the Secretary of the Treasury gave notice to the president of the bank of the intention of the Government to redeem one half of the three per cent. stocks, (amounting to about six and one-half millions of dollars,) on the first day of July thereafter. The president immediately visited Washington, and urged and procured the postponement of payment for the accommodation of the bank, till the first day of the succeeding October. Finding it inconvenient to make the payment as the time approached, "the president of the bank, and the exchange committee, determined to open a negotiation in Europe, for the postponement, for one year, of the payment of five millions of the three per cent. stocks held abroad; but they carefully concealed their intention from the Government, and there is strong reason to believe, indeed it is certain, that it was concealed also from the Government directors, (placed there to represent the stock, and protect the interest of the United States,) and from the board itself." An arrangement was accordingly made by the agent thus sent, "with the house of Barings, Brothers, & Co., of London, providing for the purchase or postponement of five millions of the stock," alluded to, for one year longer than the time appointed for payment. "The Barings proceeded, under this contract, to make purchases of stock, on account of the bank, and for the bank, to the amount of $1,798,597 57, and procured the postponement of $2,376,481 45, in all, amounting to $4,175,079 02." The speedy extinguishment of the public debt was at the time the favorite and laudable policy of the administration; indeed, it was the anxious desire of the great mass of the people; yet, this fiscal agent thought proper to pursue its own course, and disobey the express order of the Secretary of the Treasury. Not only this, but showing its disregard of all obligations, it violated the express letter, as well as spirit of the charter, which declares it "shall not be at liberty to purchase any public debt whatever."

Again, sir: the pension law of June 7, 1832, required payments to be made "at such places and times as the Secretary of the Treasury may direct." A joint resolution, which passed subsequently, transferred this duty, with the power of performing it, to the Secretary of War, instead of the Secretary of the Treasury. Under these circumstances, the Secretary of War directed the transfer of the funds, books, and papers of the pension agency, in the possession of the Bank of the United States to the Girard Bank. The president of the United States Bank refused to comply with this order; attempted to prove by argument that the Secretary was ignorant of his duty and misunderstood the law; and, adds insult to disobedience by saying, "that if the bank makes the transfer pursuant to the order, its accounts may be disallowed by the accounting officers!" Can any one believe this was the true reason? Could it have been reasonably supposed that the subordinate officers of a department would disallow a claim arising under the order of its head? Whatever may have been the opinion of the president, or the board of directors, it was practically, a refusal of the agent to obey, and an attempt to control the principal.

To guard the interest of the United States as a stockholder, and to enable the Government to see how far its agent faithfully performed the trust reposed, the charter expressly provides, "that it shall, at all times, be lawful for a committee of either house of Congress, appointed for that purpose, to inspect the books, and to examine into the proceedings" of the bank. Yet, it will be recollected that, in the spring of 1834, a committee of the House of Representatives, appointed for the purpose, visited Philadelphia, and made an attempt, but were denied the opportunity of making such an examination as they proposed, and as was contemplated by the charter. Here, again, was a palpable disregard of the law of its very existence, and the assumption of the right to resist the acknowledged organ of the Government. This refusal, on the part of the officers of the bank, went to defeat the only means provided to enable the Government to detect violations of the charter, to arrest the abuse of the privileges conferred, and preserve its interest.

Did this fiscal agent show its fitness and claim to our confidence, in the transaction of the draft drawn on the French Government, for the first instalment of the indemnity payable under the treaty of 1831, when it claimed damages, on its protest for non-payment, to the amount of about one hundred and sixty thousand dollars, having, in the mean time, in its own hands, employed for its own benefit, a much larger amount of the money of the Government than that called for in the bill? In this instance, too, the bank pursued its usual course, by making itself the arbiter of its own cause, withholding the funds of the Government to the amount of its pretended claim, and not having paid them over to the present day.

Sir, I ask, can an institution be a safe and proper fiscal agent, which has so repeatedly and recklessly violated the terms of its charter, defied and disobeyed the orders of the Government, and manifested its subordination to no law but its own capricious will? Can that depository be safe,

which withholds the funds of the Government when demanded, assumes the right to determine the extent of its own liabilities, and arrogates the power "to see the laws faithfully executed," to the exclusion of the Chief Magistrate, the constitutional organ, charged with that duty? On the same principle, the directors of the bank might have refused the payment of money, under circumstances of the greatest possible emergency. They might have differed in opinion with the constituted authorities, in regard to the policy or justness of a war, or have determined that it had been unconstitutionally waged, and withheld the means of carrying it on. Admit the right of any fiscal agent to judge when it is proper to pay over the funds of the Government, though ordered and required by the proper organ of the Executive, and you at once place them beyond its control, whatever may be the exigency.

Even now, as I have been recently informed, the officers of the bank refused to furnish the Secretary of the Treasury detailed statements of the management of the stock, one-fifth of which belongs to the Government, in direct violation of the fifteenth fundamental article of the corporation. Thus the Government is denied information of the condition of its interest, amounting to seven millions of dollars. It is also understood that a large amount of the notes of this institution (perhaps equal to $7,000,000 or $8,000,000) are now in circulation, having, as it is believed, been reissued since the expiration of the charter.

I beg gentlemen, who imagine a majority of the people are favorable to the establishment of a national bank, to recollect that these transactions are too recent, and have made too deep an impression on the public mind to be so soon forgotten. The intelligent freemen of this country can never forget the panic of 1834, when, in the midst of prosperity, and in a state of profound peace, the late bank and its friends left no effort untried to agitate and convulse the country, from Maine to New Orleans, for the purpose of extorting from their fears what was condemned by their judgment—a recharter. Those of the West and Southwest, I am sure, can never cease to remember the treatment they received at the period alluded to, when, after inordinate expansions of its accommodations for some time preceding, it began suddenly to curtail about the month of August, 1833, and, by the month of March following, had withdrawn from its branches in the valley of the Mississippi about three millions and a half of dollars; and, of this enormous sum, nearly one million of dollars was withdrawn from the branch of the city of New Orleans alone, the great emporium of all that fertile region. No period of the year could have been so inauspicious to the interests of the inhabitants in that quarter of the Union, for so sudden and large a contraction of accommodations. It was the market season for all the products of the West, and the great staple of the South; and such a step was calculated to produce, and doubtless did have, most injurious effects on prices generally. But, sir, the intelligent and hardy yeomanry of that great region could neither be cajoled nor terrified into acquiescence. Appreciating their constitutional liberty as above all price, they resisted all the machinations by which they were sought to be influenced or controlled, with a degree of inflexibility and moral firmness which would have done honor to any age or any country.

Judging from the experience of the past, it seems to be among the unfortunate and most reprehensible characteristics of these great moneyed corporations, to intermeddle with the political affairs of the country. We have the high authority of the Senator from Kentucky, [Mr. CLAY,] who was also a member of the Senate in 1811, that the old Bank of the United States was obnoxious to this charge. In his able and eloquent speech, delivered on that occasion against the bank, he made the imputation, on evidence which he declared satisfactory to himself, especially as regarded the exercise of its influence in support of Jay's treaty. We cannot forget that the late Bank of the United States entered the arena of politics, almost without the modesty to attempt concealment. Up to the year 1829, when the late President first intimated the inexpediency of rechartering it, the sum paid for printing had not amounted to a thousand dollars in any one year; and, in some years, had been less than two hundred. Immediately afterwards, however, this item of expenditure began rapidly to augment; and at the close of the year 1832, (according to the memorial of the Government directors,) for the three and a half years preceding, the amount paid for printing was about $100,000! One-fifth of this sum (being $20,000) was the money of the people, expended not for any legitimate object under the charter, but to prostrate the then administration, and bring into power another disposed to favor its designs, and perpetuate its existence. What inducement could have prompted a loan of more than $52,000 to the two editors of a widely circulating and influential political paper, against all the ordinary rules of banking, without endorsers, and a portion of it payable in five annual instalments? Whatever may have been the motive, the effect was soon apparent. For a long period before this "fair business transaction," the paper alluded to had been "warmly opposed" to the bank; a few days afterwards, it became its apologist, and then its friend. These things cannot, ought not, to be forgotten.

Sir, disguised as it may be, the real issue is, bank or no bank? Whether, after all the experience we have had, we shall renew the "experiment" of a great national bank, with capital and power sufficient to control the numerous State institutions, and regulate the currency of our whole country? Ay, sir, to control and regulate the Government itself. And what reason have we to suppose that another institution, with like powers and privileges, would not be equally obnoxious? Have we any assurance that human nature has changed in all its principles and propensities? Has man, within the short period of one or two years, become less avaricious, less corrupt, or less ambitious of power? If gentlemen say we can impose new or additional restrictions—I ask, of what avail will it be? The charter made the late bank the fiscal agent of the Government; yet, instead of subordination and obedience, we have seen it seeking to control its principal, and violating its commands. The charter expressly declared, "it should not be at liberty to purchase any public debt whatsoever;" yet we have seen it, secretly, and in opposition to the instructions of the Secretary of the Treasury, purchasing a portion of the public debt, in the form of three per cent stocks. By the charter, it was bound, "whenever required," to "give the necessary facilities for transferring the public funds from place to place;" yet, it refused to transfer the funds of the Government to the Girard bank. But I will not fatigue the Senate, by reciting further evidences of its total disregard of all the restrictions imposed by the charter on the late bank. It managed to elude the most efficient means provided to insure a revocation of its charter, on the ground of its violation, by refuing, as before shown, to submit to an examination of the committee of the House of Representatives, and has proved, most conclusively, that a moneyed corporation can be restrained by no compact, however solemn, by no penalties, however severe.

Sir, the power and irresponsibility of such an institution were properly understood and deprecated, on the attempt, in 1811, to renew the charter of the first Bank of the United States. The honorable Senator from Kentucky, [Mr. CLAY,] to whom I have before alluded, in reference to the capital then contemplated, much smaller, it may be presumed, than would now be satisfactory, then asked—"may not the time arrive, when the concentration of such a vast portion of the circulating medium of the country in the hands of any corporation, will be dangerous to our liberties? By whom is this immense power wielded? By a body,

who, in derogation of the great principle of all our institutions—responsibility to the people—is amenable only to a few stockholders, and they chiefly foreigners." The distinguished gentleman also alluded, on that occasion, with great force, to the dangerous potency of such an institution in times of domestic or foreign war. How much more appalling would be the power deprecated, if, in addition to the vast concentration of individual capital, which would now be expected, it should also become, as desired, the depository of all the treasure of the Government, and its fiscal agent!

Gentlemen have ascribed to a national bank an efficiency and infallibility, which are not supported by past experience. Neither of the institutions chartered by Congress, was in operation in time of war with any foreign Power. Whether, under such circumstances, they would have had the ability to sustain themselves, cannot now be determined. We know, however, that, in the early period of the late bank, it became much embarrassed, was in great danger of stopping payment, and was only extricated by the great sagacity and financial skill of Mr. Cheves. We have seen the United States Bank of Pennsylvania, with as much capital, and, as it is alleged, a better charter than it had from this Government, sink under the pressure of the times, in common with similar institutions throughout the country. It is known, too, that the bank of England, with its immense capital, and all the favor that could be conferred by that powerful Government, was unable to sustain itself during a period of war; and actually suspended specie payments for more than twenty years. From these facts, we are not authorized to conclude that a similar national institution in this country would be able to afford the Government, or the people, a sound currency, or the necessary fiscal aid, in the time of our greatest need.

In regard to the passage of the bill under consideration, we are met, by gentlemen opposed to it, with the objection that it is "another experiment." It is true, sir, that the collection, safe keeping, and disbursement of the public revenue, exclusively through the officers and agents of the Government, has not been sufficiently practised in this country to give it the sanction of our own experience. But though it may be new here, it is not so in some of the most enlightened Governments of the world. It has been long tried with success in England and France. In the former, the public revenue is gathered from the people by a class of officers called collectors and distributers of stamps. When so collected, it is paid over to a superior class of officers called receivers general, by whom it is paid into the Exchequer; where nothing is received but cash, or what is by law recognised as such. The funds thus received are kept in the Exchequer, and disbursed by the officers of the Treasury. This system has been so long pursued in England, where they have a national bank, that it must be regarded as the highest evidence of its successful operation. In France a similar practice prevails. There, too, the taxes of different kinds are collected by local officers, in specie, or Government drafts, which are deemed equivalent, and paid over to creditors, or local paymasters or receivers. The residue is remitted to Paris under direction of a proper officer, and there kept in Exchequer chests. It appears then, sir, if this be an "experiment," it has been well tried; and, as the highest evidence of its approval, it is still continued by Governments having the full advantage of all the lights of experience If it has been successful with them, it is not unreasonable to conclude it will eventuate in like manner here.

The provisions of the bill, now on its passage, Mr. President, embrace every guard and guaranty for the security of the public treasure, and its honest and faithful disbursement, which could be devised. Under them, I believe, these desirable objects will be accomplished. With these views of this important measure, I feel bound to give it my support.

[In the course of his remarks, Mr. Clay, of Alabama, alluded to the argument of Mr. Clay, of Kentucky, that the charter of a national bank and the permanency of the Union were identified; and also remarked on the declaration made by the distinguished Senator from Kentucky, [Mr. Clay,] shortly after the removal of the deposites, (made in Philadelphia,) that "we were in the midst of a revolution." He also spoke of declarations made in newspapers, and elsewhere, that the deposites must be restored, or a revolution was at hand; and that matters went so far, according to the accounts of the newspapers, that two members of Congress addressed the mob at Baltimore on Sunday; and, as he understood it, one of those members had said, by way of apology, that there were no Sabbaths in revolutionary times.]

When Mr. Clay, of Alabama, concluded his speech—

Mr. WEBSTER rose, and said that perhaps he ought to feel obliged to the member from Alabama for his quotation and adoption of a report, wholly without foundation, which had been circulated in the newspapers several years ago. That report was, that at a meeting of many citizens on a Sunday in Baltimore, at the time of the excitement in the country, created by the withdrawing of the deposites, he had said that there were no Sabbaths in revolutionary times. That, sir, (said Mr. Webster,) was a vile falsehood and slander. I never said any such thing either then or at any other time. Having been home, on indispensable business, I was hastening back to my seat here to vote on very important measures then pending, and in regard to which friends had written to me to lose no time. When I arrived in Baltimore, on a Sunday evening, being in company with the distinguished and honorable gentleman who represented, at that time, the city of Philadelphia in the other House of Congress, we found, on landing from the boat, and repairing to the hotel, a collection of people, assembled without our procurement or knowledge. We each addressed a few observations to them on the absorbing public topics which had drawn them together; and this we felt bound to do out of respect to them, and as the readiest mode of restoring to the day the quiet and repose which are so important to its proper observance. But no such language and no such sentiment as the member has quoted or alluded to to-day escaped from either of us. I should not, of course, have noticed in my place here the original slander if it had not been alluded to by others.

Mr. CLAY rejoined that he believed, whatever might be the character of the report, it had emanated from newspapers which supported the correctness of the gentleman's position; that he spoke from the newspaper account, which he had never before heard controverted.

Mr. WEBSTER said he pronounced the whole story a vile slander, whether reported of himself or his friend. Neither of us, sir, (said Mr. Webster) expressed any such sentiment, nor any thing like it. The whole matter was original and unmixed calumny.

Mr. CLAY, of Alabama, in reply, stated that, if it was a mistake or a calumny, it proceeded entirely from the papers in favor of the political principles advocated by Mr. W. and it had not proceeded from, or been circulated in, papers of the other side. This was the first time he had heard it contradicted; and, hearing it from such a source, he was satisfied he must have been misinformed.

Mr. SOUTHARD then addressed the Senate in opposition to the bill, and went into a full and close examination of the particulars of the bill. He objected to the plan of giving the Secretary the power of ordering the public money to be retained by any officer he pleased, and to pay it out to whomsoever he pleased. It would be a system of favoritism. He thought the bill an imposition upon the country, as to the section relating to the expenses. Instead of costing $60,000, as the Government estimated it, it would cost $600,000. Any amount of money might be

taken for the expenses of this scheme, which the Secretary might be pleased to take. There was no limitation to him; he only tells the country that *perhaps*, and he *thinks*, it will not cost more than $60,000; but, whatever it may cost, or he may please to make it cost, he is by the bill empowered to expend as much as he thinks proper. Mr. S. contended that, down to this day, such an appropriation had never been made, in all the action of this Government. Jefferson would never have sanctioned such a plan.

Mr. S. then strongly objected to the plan in the bill of appointing examiners, who were to ride about the country from place to place, to have any salary the Secretary chose to give them—their ten or twenty dollars a day. Mr. S. contended that this was a frightful plan for putting into the hands of the President a band of well-paid hirelings, a trained band, well fattened by the people's money, who were to ride about and perform great services—and who can tell what services?—for a party, and for any party in power. Mr. S. then went on to examine the merits of the bill as an experiment, and next as to the establishing two currencies, which he vehemently deprecated. He thought the bill would establish a tremendous system of tyranny. Mr. S. having concluded his remarks,

The question was put on the passage of the bill, and decided in the affirmative by the following vote:

YEAS—Messrs. Allen, Benton, Brown, Buchanan, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Linn, Lyon, Morris, Niles, Norvell, Pierce, Roane, Robinson, Sevier, Smith of Connecticut, Strange, Walker, Wall, Williams, Wright, Young—26.

NAYS—Messrs. Bayard, Black, Clay of Kentucky, Clayton, Crittenden, Davis, Kent, King of Georgia, Knight, McKean, Nicholas, Prentiss, Robbins, Smith of Indiana, Southard, Swift, Tallmadge, Tipton, Webster, White—20.

So the bill was passed, and sent to the House of Representatives for concurrence.

Mr. CLAY of Alabama, again alluded to the Sunday affair, and produced the tenth volume, part second, of Gales and Seaton's Register of Debates of 1833-'4, and, with the leave of the Senate, read the following report of Mr. WEBSTER's own account of the affair alluded to, just after his return from Baltimore; having premised that, from the statement of the Senator from Massachusetts, no man would have supposed that any such remark had been made on the occasion by any one:

"MR. WEBSTER said that he was very sorry to be compelled to rise again on this subject. But circumstances had come within his own knowledge which he deemed it necessary to mention. When he arrived at Philadelphia, on his return to Washington, he received information of the very extraordinary communication sent by the President to the Senate; and certainly all that he conversed with, viewed it with the utmost alarm and disapprobation. When he arrived at Baltimore, he found multitudes of people in the streets, certainly not assembled in a riotous manner, but evincing a deep state of feeling from some great cause. When the boat arrived at the wharf, a gentleman came forward and introduced one venerable man, who addressed him by saying, "I am a member of the Presbyterian church; and you may be surprised to see me in the crowd on such a day; but I remember that we had no Sabbaths in revolutionary times to interfere with our duty to our country. We know that our liberties are in danger; and we come down to you for the purpose of making you acquainted with our true situation, and to ask what we are to depend on."

Having read this extract from Mr. WEBSTER account in the Senate, just after his return from Baltimore—

Mr. C. said he was willing to submit it to the Senate how far the declatation of the Senator from Massachusetts—that he had heard no such remark as the one mentioned at the Baltimore Sabbath meeting—was correct.

Mr. WEBSTER replied that he certainly did not make any personal imputation against the Senator from Alabama, in what he had before stated, but against the newspaper report.

Mr. CLAY, of Alabama, rejoined, that he (Mr. C.) certainly did not understand the Senator from Massachusetts (Mr. W.) as so intending, or he should have treated him very differently from what he did on the occasion.

The Senate, then, on motion of Mr. TIPTON, went into executive business, and then adjourned.

THURSDAY, OCTOBER 5.

ABOLITION OF SLAVERY.

Mr. PRENTISS presented the petition of a number of women of Townshend, Vermont, praying for the abolition of slavery in the District of Columbia, and the slave trade in the United States; and, also, four petitions from inhabitants and legal voters of Vershire, Vermont, praying Congress to abolish slavery and the slave trade in all the Territories of the United states; to regulate the commerce of slaves among the several States so that it may be immediately prohibited; not to admit any new State into the Union, whose Constitution tolerates domestic slavery; and to abolish slavery and the slave trade in the District of Columbia.

Mr. PRESTON objecting to the reception of the above memorials on slavery and the slave trade—

Mr. KING, of Alabama, moved to lay the question of their reception on the table: which was done accordingly. So the memorials were not received.

On motion of Mr. LINN, it was

Resolved, that when the Senate adjourn, it adjourn to meet on Monday next.

ATTORNEYS' FEES.

The bill to regulate the fees of district attorneys for the renewal of revenue bonds, came up in its order, but was again laid on the table, on account of the absence of the chairman of the committee by whom it was reported.

On motion of Mr. LINN, the Senate then adjourned till Monday next.

MONDAY, OCTOBER 9.

EXPRESS MAIL POSTAGE.

Mr. GRUNDY moved to take up the joint resolution, reported from the Committee on the Post Office and Post Roads, in relation to the payment in advance on all letters sent by express mail. Mr. G. went into an explanation of the necessity there was for an immediate action on the measure. The express mail was of recent origin, and was authorized under an act of Congress, passed some three years since. It was introduced by the Postmaster General, with a view to afford facilities to merchants and men of business, for which advantage the law authorized the payment of treble postage. There were persons who were ignorant of the object of the mail, they had sent many letters of no importance, either to themselves or others, which letters were not taken out of the office, but returned as dead letters to the great diminution of the revenue. There were others again, who from mischief or sport, had also sent numerous letters by this conveyance; and the object of the resolution was to prevent in future all such occurrences, by requiring the money in advance. Mr. G. had consulted the Postmaster General, as to whether he could not make the arrangement without the intervention of the laws; but as that officer appears to think the passage of an act necessary to enforce the measure, the bill before the Senate had been resorted to.

Mr. KNIGHT expressed himself as unfriendly to the system of express mail, as calculated to afford facilities to the rich, which the poor could not avail themselves of; and besides that the railroads of the country yielded advan-

tages, in point of speed, beyond any express that could be arranged.

Mr. GRUNDY did not intend to defend the system; it had been created by laws, and must be repealed by laws, before it could be stopped. The object now was to prevent the abuse of the system, by providing against the accumulation of dead letters, which would effectually be done by requiring the postage in advance in all instances.

The resolution was then ordered to be read a third time.

[The resolution was subsequently read a third time, passed, and sent to the House of Representatives.

ATTORNEYS' FEES.

Mr. GRUNDY moved to take up the bill regulating the fees of district attorneys; which was agreed to.

Mr. TALLMADGE offered a modification of the amendment offered by Mr. Clayton last week, when the bill was under discussion, which was accepted, and the amendment as modified agreed to.

The amendment provides a second section to the bill, and reads as follows:

Sec. 2. *And be it further enacted*, That no fee shall accrue to any district attorney on any bond left with him for collection, or in any suit commenced on any bond, for the renewal of which provision is made by law, unless the party or parties shall neglect to apply for such renewal for more than twenty days after the maturity of such bond.

The amendment offered by Mr. Buchanan at a prior discussion of the bill, viz: to strike out the the word "*five*," in the 5th line, and insert "for all bonds exceeding $500, *four* dollars, and for all bonds of and under that sum, *two* dollars be allowed," was agreed to.

Mr. CLAY (of Ky.) thought the original bill was improved by the amendment of the Senator from Pennsylvania, [Mr. Buchanan,] but still the amount of compensation was in his opinion far beyond the service rendered. If, as had been stated the other day, there were upwards of four thousand bonds to be renewed, ought so enormous a sum as would accrue, be allowed to the district attorneys, when all the labor would be performed in less than three months? What, asked Mr. C., is the service in these cases? the bonds are all printed, and have merely to be filled up with the signatures, and he would undertake to say, that he, or any business man could fill five hundred bonds in a day. Why have the original bonds taken by the collector, and order them to be renewed by the district attorney? Was not the collector better qualified, from his intimate knowledge of merchants and mercantile affairs, to do the duty? He had not examined the laws very closely lately, but he believed the collector was allowed forty or sixty cents for the duty. Why not then continue it with him at the same price? Was it right, was it reasonable, to take the duty from the collector, to give it to the attorney, at the vast increase of expense, at times like the present, when the mercantile interests of the country were so prostrate? Mr. C. then moved to strike out all after section 1st, and insert "That in all cases of extension of the time of payment of bonds given for duties on imports, it shall be according to such directions as may be given by the Secretary of the Treasury, and the extension of payment of the old bond, or the taking of a new bond, shall be by the respective collectors, subject to no other charge than such as may be legally receivable on the taking of the original bond, upon the entry of merchandise."

According to my amendment (said Mr. C.) the direction of the matter will be left with the Secretary of the Treasury; and hence there can be no difficulty in passing over instructions to the collectors; and the effect of the laws will then be to keep the bonds with the collector.

Mr. BUCHANAN said he felt very little interest in the matter, other than a strong desire to see the same justice done to the district attorneys that he would desire done to all mankind. He had stated the other day, on what he deemed very good authority, that three-fourths of the district attorneys of the United States had never made any charge whatever, because they did not know what to charge, or what allowance was granted for such duty. The Senator from Kentucky [Mr. Clay] said that he could fill up five hundred bonds in a day. Mr. B. was aware that the gentleman did business very rapidly, but that would exceed the powers of any man in that or any other public body. Mr. B. had been told by a gentleman of truth, that he had been engaged from morning until night for a whole month in taking about four hundred bonds. Mr. B. said he would be very sorry to take the responsibilities annexed to the duties; the condition of the parties was to be inquired into; the sureties have to be looked to, and he did not think the amendments as offered by himself to graduate the price, so as to allow two dollars for all bonds of and under five hundred dollars, and four dollars for all above that sum, would be unreasonable.

If the amendment of the Senator from Kentucky prevailed, what would be done with all the past cases, where the attorneys had never received a cent nor made a charge, because they did not know what to charge? Again, the bonds would have to be re-transferred from the attorney's hands to those of the collector. In his opinion, it was better to let the law stand as it was, and let the district attorneys retain the bonds and hold those officers responsible, and allow them a fair compensation.

Mr. CLAY asked why, if the labor be the same in all cases, four dollars should be exacted for one bond and two dollars for another? If the gentleman alluded to by the Senator from Pennsylvania did occupy his time for a month in the taking of three or four hundred bonds, the price at three dollars even would give him a sum superior to that of any officer under the Government, save the President. Mr. C. said he would undertake to maintain that five hundred bonds could be filled up in one day, and the best mode was to retain the whole business in the hands of the collector.

Mr. WEBSTER said the question had arisen, how came the bonds in the hands of the district attorney? The laws made it the duty of the collector to turn over all bonds not paid at maturity to the district attorney for suit; and hence, if the bonds had to be renewed, it would be done at the attorney's office, where the fees were claimed under the practice of the New York courts. In the present case, where an act of clemency of Congress extended the time on these bonds, the collector was undoubtedly the best judge of the matter from his long acquaintance with, and intimate knowledge of, the merchants; besides the duties were merely clerical, and the parties, he took it for granted, were in most instances the same. In the present relaxed state of business, there was plenty of aid in the custom-house for all the duties that would be required.

Mr. TALLMADGE expressed his intention of voting for the amendment of the Senator from Kentucky, [Mr. Clay,] and in so doing, he conceived no injustice would be done to the district attorneys. If the Government allowed the renewal, there was no necessity for the bonds to be sent to the district attorney, and that officer ought not in justice to claim any thing, unless put in his hands for suit.

Mr. CALHOUN was averse to any charge on the parties, or subjecting the Government to any.

Mr. GRUNDY was anxious that the law remain undisturbed. With regard to compensation, he did not pretend to be a very correct judge. He was aware that, in a place like New York, where there was so much business, a fee, ever so moderate, would amount to a very considerable sum of money. In one place, then, it might be too much, in another too small. It was necessary, he thought, to allow as much as would secure the services of a faithful and competent agent. The moment a bond became due, it was

handed over to the district attorney for suit; on that head the law was imperative. The collector then took the attorney's receipt for the bonds. Would it not be better to let the law remain as it is, and allow what was right and proper to a competent person, than, by altering it, run the risk of disordering the whole manner of keeping the books of the custom-house?

Mr. CRITTENDEN said it struck him that the district attorney was entitled to no compensation under the law; that the whole was a mere lawless and unwarrantable exaction of fees. Mr. C. read the law of the United States, and said that the charge was nothing more nor less than extortion.

Mr. GRUNDY said, on this head the district attorney of New York had taken the opinion of the most eminent lawyers, and the fees had been taxed under the supervision of Chancellor Kent; and hence the district attorney had neither violated law nor usage. Mr. G. did not wish to spend further time in the discussion. He was of opinion that the party benefited ought to pay the expense; and where it was fixed at so low a rate as two dollars on bonds of five hundred, there could be no reasonable ground for complaint.

Mr. TALLMADGE explained that the fees charged by the district attorneys were the regular taxed fees. If a bond placed in his hands for suit were paid by the parties, the attorney would still be entitled to his fee under the usage of the courts of New York. Unless placed in his hands for collection, no charge was made; but by the amendment of the gentleman from Pennsylvania, you would give him as much for the renewal as he would be entitled to under the tax cost.

Mr. WRIGHT would vote against the amendment of the Senator from Kentucky, [Mr. CLAY.] Every bond not paid at maturity was immediately handed over to the district attorney for suit. It was not the mere extension of time that officer had to look to, but in giving that time to see that the bonds be made perfectly secure. Great changes had taken place in the commercial relations of the city of New York, and much and fearful responsibility would necessarily be incurred; and hence it was our interest to charge some officer with the duty that would feel his responsibility to the Treasury. Mr. W. thought if $4 were allowed on the larger bonds, and $2 on the smaller denomination, it would be imposing no burden on the mercantile community.

The question was then taken on Mr. CLAY's amendment, by yeas and nays, when there appeared—for it 22, against it 18, as follows:

YEAS—Messrs. Bayard, Black, Calhoun, Clay of Kentucky, Clayton, Crittenden, Kent, Knight, Morris, Nicholas, Prentiss, Roane, Robbins, Ruggles, Smith of Indiana, Southard, Spence, Strange, Swift, Tallmadge, Webster, White—22.

NAYS—Messrs. Allen, Benton, Buchanan, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, Niles, Norvell, Pierce, Robinson, Smith of Connecticut, Walker, Wall, Williams, Wright, Young—18.

Mr. GRUNDY said he would now be compelled to vote against the bill, because it left the fees of the district attorney of New York precisely where they were, and made provision for no others save the district attorney of Alabama.

Mr. BUCHANAN said he could not vote for the bill in its present shape, because he thought it would exclude those district attorneys who had already done business to a very considerable extent. He would, therefore, move to recommit the bill to the committee, "with instructions to provide a reasonable compensation to district attorneys for services which they have already rendered in extending the bonds of the merchants;" and on this motion he asked for the yeas and nays.

After some further desultory debate, the question was taken on the recommitment, when there appeared: Yeas 15, nays 26, as follows:

YEAS—Messrs. Buchanan, Clay of Alabama, Fulton, Hubbard, King of Georgia, McKean, Nicholas, Niles, Norvell, Robinson, Strange, Walker, Wall, Wright, Young—15.

NAYS—Messrs. Allen, Bayard, Benton, Black, Calhoun, Clay of Kentucky, Clayton, Crittenden, Grundy, Kent, King of Alabama, Knight, Pierce, Prentiss, Roane, Robbins, Ruggles, Smith of Connecticut, Smith of Indiana, Southard, Spence, Swift, Tallmadge, Webster, White, Williams—26.

The question was then taken on agreeing with the several amendments as adopted in Committee of the Whole, and carried. The bill being reported as amended, was ordered to be engrossed for a third reading.

A message was received from the House of Representatives, stating that it had passed a bill to continue in force certain acts passed at the last session.

Mr. GRUNDY moved to take up the bill, and explained the necessity there was for its immediate passage. Some laws had been passed at the last session which were to continue in force to the close of the ensuing session. The present being an extra session, and unlooked for at the time, rendered necessary the adoption of this measure.

This bill, having had its three several readings, was finally passed.

WAREHOUSE BILL.

Mr. WRIGHT moved to take up the bill authorizing the deposite of merchandise in the public stores.

[The object of the bill, in part, requires cash payment of duties when the goods are withdrawn from the public store.]

Mr. KING, of Alabama, thought it would be better to postpone the bill, particularly, as from all appearances just now, there would be no chance of its passing the other body this session; and, as there was a great diversity of opinion involved, he thought it better to postpone it until the first Monday in December next.

Mr. CALHOUN agreed with the Senator from Alabama, that it was better to postpone it to the period named, when it could be fully acted on, and all its features maturely considered. He was not prepared at this time to enter on any discussion, and he was aware that there was a great diversity of opinion on the subject.

Mr. WRIGHT did not suppose there would have been any objection to taking up the bill, neither was he aware of any diversity of opinion in relation to it. So far as he was concerned, he was perfectly willing for the Senate to take its own course. The measure had been pressed on his consideration by the parties interested. He felt pursuaded, if the bill were fully examined, that it would not be found objectionable in any shape.

The question being taken on the adoption of Mr. WRIGHT's motion, there appeared for it 20, against it 7. The bill was accordingly taken up for consideration.

Mr. BUCHANAN moved to amend the bill by inserting, after the last clause, "*Provided*, That the existing laws, permitting the landing and delivery of railroad iron, imported for the purpose of being permanently laid down on railroads and inclined planes, shall be and remain in full force, any thing in this act to the contrary notwithstanding;" which amendment was agreed to.

Mr. CLAY said, when this bill was last up, he had expressed himself in favor of that provision, the object of which was the abolition of credit, because he thought that would be favorable to the manufacturing interest; and he was still of that opinion. The events of the past summer had induced him to favor the entire abolition of credit for duties. But he found himself encountered by a measure which he respected, and which he could not concur in violating, and that was the compromise act of 1833, on ac-

count of which he did not feel at liberty to arrest credit till the period had arrived which was designated by that compromise.

Mr. C. was disposed to adhere fully to the terms of that compromise, as he always had been; and acting in conformity to that rule, he should vote against that part of this bill which contravened the compromise. At the same time, he thought proper to say, if gentlemen of the South were disposed to violate the compromise, and if other gentlemen were willing to go with them, it would revive all the discussions in relation to that great interest which would be affected by the infraction of the compromise: for, if Congress were not bound by that act, no individual could be. The responsibility of putting it aside, if it should be done, must rest on the Senate and the other House. At the last session some gentlemen showed themselves hostile to it on some minor points; and if they abolished it in part, they might, on the same principle, abolish it wholly. If that part relating to the payment of duties were violated, it might be violated in every other respect. Mr. C. would therefore vote against the abolition of the credit system at the present time.

Mr. CALHOUN thought the view taken by the Senator from Kentucky was correct. There was no subject that could be touched on which would excite greater contention; and he submitted to the Senators on all sides whether there was any necessity for agitating this question now. If it met the wishes of the chairman of the Committee on Finance to have the bill passed without the clause which violated the compact, it might do very well; but if not, he would move to postpone the bill till the first Monday in December next.

Mr. WRIGHT said the passage of this bill had been pressed upon his consideration by the mercantile community. According to the present law, the importer has to give his bond for a definite period, say six months, while the effect of the bill before them was to allow the merchandise to be warehoused, where it might remain three years, if they pleased, the merchant having no control of his property, and the Government no bond. He did not see how the bill could possibly conflict with the views of gentlemen in relation to the compromise act, though he did not admit that act as a matter of right to the exclusion of all others.

Mr. CLAY said he had not examined the bill very carefully; but still he must contend that it would be a violation of the compact. Either there was an extension of credit beyond the time allowed, or a less credit was given. It was true, the merchant might keep his goods for three years in the warehouse; but then he might also remove them in three days, by which means he could always avail himself of an advantageous state of the market. In one view of the matter there was more credit—in the other less; and in either case, it violated the principle on which the compromise act was founded; and on that ground he would be compelled to vote against it.

Mr. WRIGHT asked Mr. Calhoun to withdraw his motion; which, having been acceded to, Mr. W. moved to postpone the further discussion, and make it the special order of the day for to-morrow. This motion was agreed to.

On motion of Mr. WHITE, the Senate went into Executive business; and, after some time spent therein,

The Senate adjourned.

Tuesday, October 10.

TREASURY NOTES.

The bill authorizing an issue of Treasury notes was received from the House; and, being announced from the Chair,

Mr. WEBSTER remarked, that the Senate had sent a bill on this subject to the House, and the House had sent another here. When the former bill was before the Senate it was Mr. W.'s opinion that it was irregularly originated in the Senate, and he was much inclined to express that opinion, but forbore from a wish not to throw objections in the way of their own proceedings. All bills creating a charge upon the people, whether by a tax, or in any other way, ought, in his opinion, to originate in the other House.

Mr. CALHOUN said he had not made up his mind on this point, in relation to this bill; but it was his impression that it did not come within the scope of the revenue bills, which were required by the constitution to originate in the other House.

Mr. WEBSTER replied, that if the gentleman would examine Blackstone, he would see as plain as light that this was such a bill, according to the parliamentary construction and practice in England.

The bill was then read twice, and referred to the Committee on Finance.

ATTORNEYS' FEES.

The bill regulating the fees of district attorneys in the renewal of merchants' bonds, received a third reading, and was finally passed, in the following words:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in all cases of extension of the time of payment of bonds given for duties on imports, it shall be according to such directions as may be given by the Secretary of the Treasury; and the extension of payment of the old bond, or the taking of a new bond, shall be by the respective collectors, subject to no other charge than such as may be legally receivable on the taking of the original bonds upon the entry of merchandise.

Sec. 2. *And be it further enacted,* That no fee shall accrue to any district attorney on any bond left with him for collection, or in a suit commenced on any bond for the renewal of which provision is made by law, unless the party or parties shall neglect to apply for such renewal for more than twenty days after the maturity of such bond.

WAREHOUSE BILL.

The Senate resumed the consideration of the bill authorizing the deposite of merchandise in the public stores, and for other purposes.

Mr. CALHOUN said he had not given the bill so thorough an examination as he could desire; but, as far as his vote was concerned, he would be happy to give it, if certain objections could be removed relating to the compromise bill, respecting which he had felt, and should still feel, a difficulty. It was important, he said, that that act should remain undisturbed, till its objects should have been accomplished in 1842; and he should certainly not disturb it. With a view to remove the difficulty on this point, he offerred a proviso to be annexed to the first section of the bill, which, he said, would remove all the difficulty as far as it related to Southern interests; and he would then cheerfully give the bill his vote, provided gentlemen who represented the manufacturing and commercial interests of the North were satisfied with the bill.

The whole effect of this proviso was to leave it optional with the importer either to avail himself of the provisions of this bill, or to refuse and conform to existing laws. The choice, however, was required to be made before the goods should be deposited in the public stores.

Mr. WRIGHT expressed himself in favor of the amendment.

Mr. CLAY, of Kentucky, objected to this proviso, as giving too much latitude to commercial operations, to the injury of the domestic trade and manufactures. Mischief had formerly been done to these interests, by throwing in large quantities of foreign goods to glut the market. This store-house provision, he urged, would furnish the means of having such goods always at hand, to throw into the market for this purpose; the danger, therefore, would be

both greater and nearer. He objected to the idea of gentlemen representing any particular interest to the injury of others; and he was altogether willing to favor the mercantile interest so far as he could do so without injury to others. But as this bill would give facilities to foreign merchants and manufacturers, which might be injurious to our own, and as it came in collision with the compromise, he was unwilling that it should become a law till they should know the views and wishes of those whose interests would be most affected by its passage. With a view to this, Mr. C. moved to postpone the bill till the first Monday in December next.

Mr. CALHOUN repeated his declaration, that he did not present this amendment as an exclusive representative of the South, without regard to the interests of other sections of the Union; but there were able and intelligent gentlemen now present, particularly representing those sections, and he would go for the bill when amended, only on the condition that it should be agreeable to them.

Mr. NILES expressed his objections to the credit system, especially foreign credit, which he thought had been the primary cause of the present difficulties of the country. The warehouse system, however, he regarded not as strictly an extension of credit, because the goods remained on hand, and could not be used as capital. He was, therefore, in favor of the bill, though he regarded the amendment as extending rather too much favor to the importing interest.

Mr. WEBSTER expressed the belief that every merchant would avail himself, as far as practicable, of the provisions of the existing laws, without reference to this bill, should it become a law; and as there was little chance of this bill passing at the present session, and as it might expose the revenue, without careful provision for its security, Mr. W. thought it best that the bill should be postponed, though he was extremely favorable to the objects embraced by its provisions.

Mr. KNIGHT said the mercantile and manufacturing section of the country which he represented, complained of nothing so much as the fluctuations of an unsteady market, which occasioned them much difficulty in carrying on their business. As it appeared that this bill rather tended to produce such unsteadiness; as Mr. K. had not examined it as fully as he desired; and as there was little prospect of its passing the other House at this session, he hoped it would be postponed to the ensuing session.

The question on Mr. CLAY's motion to postpone the bill was then put, and decided in the negative, as follows:

YEAS—Messrs. Calhoun, Clay of Kentucky, Clayton, Crittenden, Kent, Knight, McKean, Rives, Robbins, Smith of Indiana, Southard, Swift, Tallmadge, Tipton, Webster, White, Williams—17.

NAYS—Messrs. Allen, Benton, Buchanan, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Lyon, Nicholas, Niles, Norvell, Pierce, Roane, Robinson, Smith of Connecticut, Strange, Walker, Wall, Wright, Young—22.

The question was then taken on the amendment offered by Mr. CALHOUN, and decided in the negative as follows:

YEAS—Messrs. Allen, Calhoun, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Robinson, Smith of Connecticut, Walker, White, Wright, Young—14.

NAYS—Messrs. Benton, Buchanan, Clay of Kentucky, Clayton, Crittenden, Kent, Knight, Lyon, McKean, Nicholas, Niles, Norvell, Pierce, Robbins, Smith of Indiana, Southard, Strange, Swift, Tallmadge, Tipton, Wall, Webster, Williams—23.

Mr. CLAY, of Kentucky, then said: This is a new system: no one can tell its results. Caution is necessary. We ought not to give the privilege of transporting goods from warehouse to warehouse, at the option of the importer, according as he may watch the different markets. The principle appeared to him bad, Mr. C. said; and, being quite novel in our commercial experience, ought not to be hastily adopted. Entertaining this view of the case, Mr. C. would move to strike out the fifth section, by which such a power is conferred. This privilege might subsequently be extended, if it should appear to be necessary. The effect now, however, would be, he thought, not devoid of hazard to the revenue. The goods were to be deposited in public stores, under control of both parties. Here even was hazard; but when the goods may be transported from port to port, and no duty paid, the hazard would be infinitely increased; therefore, he would move to strike out this section of the bill.

Mr. NORVELL thought that the effect of striking out that section would be to make New York the exclusive depot for all imported goods in the United States, to the great disadvantage of other cities.

Mr. CLAY. The importer can always guard against that. He can bring his goods to what port he pleases.

Mr. WRIGHT thought that it would be a severe measure on all merchants of all cities, except those of New York. Most imports are made in the first instance to New York. This amendment would give no credit to the merchants of other places.

The motion to strike out was then rejected.

Mr. CLAY then moved a proviso, limiting the right of transfer to one transfer only. For example, a Philadelphia merchant, having imported goods at New York, may then have liberty to transfer them to Philadelphia, or, if he pleased, to any other place, and there deposite them in the public warehouse; but, after this one transfer, no other transfer to be allowed; but if he wishes for his goods he must take them out and pay the duty.

Mr. WRIGHT suggested that it would perhaps be better to lay the bill on the table until to-morrow, to afford Mr. CLAY time to prepare any amendments he might wish to make to the bill.

Mr. CLAY said his chief objection to the first section was, that it enlarged the credit now given. He was desirous of amending this section, and would therefore avail himself of the suggestion of Mr. W., and moved that the bill be postponed until to-morrow; which was agreed to.

ISSUE OF TREASURY NOTES.

Mr. WRIGHT reported, from the Committee on Finance, to whom had been referred the "Treasury note bill" from the House, the same bill as it came from the House without amendment.

Mr. CLAY, of Kentucky, having requested the reading of the bill, to see in what respects it differed with the Senate bill which had been sent to the House—

Mr. WRIGHT said the most important difference in the bills was a provision authorizing the issue of fifty dollar notes, instead of only one hundred dollar notes. The House had also added a clause permitting the re-issue of the notes when returned into the Treasury, and had limited the time at which they should cease to be issued. Another addition was a clause to prevent the receivers from profiting by the interest upon notes lying on their hands.

Mr. BENTON moved to amend the bill by striking out fifty, and inserting one hundred. Mr. B. was entirely opposed to the issue of Government money, or to the issue of continental money, or to the issue of assignats on the national domain, or to any thing bearing the shape, form, or appearance, of such currencies. Nothing but the immediate pressure of time, and the wants of the Treasury, could have induced him to vote for the issue of Treasury notes at all.

He must oppose the reduction of the denomination from $100 notes to $50 notes. He feared this diminution migh

go on, and the result would be to drive gold and silver out of the country. The Bank of England had begun in this manner, first issuing for a large denomination, and then gradually comming down to small notes. Mr. B. concluded by asking for the yeas and nays on his amendment.

Mr. NORVELL remarked, that all the objections urged by the Senator from Missouri to the issue of notes of the denomination of fifty dollars, applied with nearly equal force to the issue of notes of the denomination of one hundred dollars. As far as either could be considered a currency, one hundred dollar notes were as much a currency as fifty dollar notes. Bearing interest, however, he doubted whether they did not possess more the character of a temporary loan than of a current circulating medium. One suggestion seemed not to have occurred to the Senator from Missouri. Many persons who emigrated to the Western country and settled there, desired to purchase forty acres of public land. Fifty dollars in a Treasury note would precisely pay for such a tract. In the absence of a specie circulation, while the banks were in a state of suspension of specie payments, Treasury notes of that denomination, receivable at the land offices, would prove a great convenience to the poorer purchasers of public lands, and would accelerate the settlement and improvement of the West. For these reasons, he should vote against the motion of the honorable Senator.

Mr. BENTON replied to Mr. Norvell, but was inaudible in the reporter's gallery.

Mr. NILES was opposed to the attempt to convert these notes into a currency. This was a loan, and ought so to be represented.

Mr. CLAY, of Kentucky, had been all along opposed te this measure, and he saw nothing now to change that opinion. Mr. C. would have been glad to aid the wants of the Treasury, but thought it might have been done better by suspending the action of many appropriations not so indispensably necessary, rather than by resorting to a loan. Reduction, economy, retrenchment, had been recommended by the President, and why not then pursued? Mr. C.'s chief objection, however, was, that these notes were mere post notes, only differing from bank notes of that kind in giving the Secretary a power of fixing the interest as he pleases.

It is, said Mr. C., a Government bank, issuing Government bank notes; an experiment to set up a Government bank. It is, in point of fact, an incipient bank. Now, if Government has the power to issue bank notes, and so to form indirectly and covertly a bank, how is it that it has not the power to establish a national bank? What difference is there between a great Government bank, with Mr. Woodbury as the great cashier, and a bank composed of a corporation of private citizens? What difference is there, except that the latter is better and safer, and more stable, and more free from political influences, and more rational and more republican? An attack is made at Washington upon all the banks of the country, when we have at least one hundred millions of bank paper in circulation. At such a time, a time too of peace, instead of aid, we denounce them, decry them, seek to ruin them, and begin to issue paper in opposition to them! You resort to paper, which you profess to put down; you resort to a bank, which you pretend to decry and to denounce; you resort to a Government paper currency, after having exclaimed against every curreney except that of gold and silver! Mr. C. said he should vote for Mr. Benton's amendment, as far as it went to prevent the creation of a Government bank and a Government currency.

Mr. WEBSTER would not be unwilling to give his support to the bill, as a loan, and that only a temporary loan. He was, however, utterly opposed to every modification of the measure which went to stamp upon it the character of a Government currency. All past experience showed that such a currency would depreciate; that it will and must depreciate. He should vote for the amendment, inasmuch as 100 dollar bills were less likely to get into common circulation than 50 dollar bills. His objection was against the old Continental money in any shape or in any disguise, and he would therefore vote for the amendment.

The question was then taken on the amendment of Mr. Benton, and decided in the negative, as follows:

Yeas—Messrs. Allen, Benton, Clay of Kentucky, Clayton, Kent, King of Georgia, McKean, Pierce, Rives, Robbins, Smith of Connecticut, Southard, Spence, Tipton, Webster, White—16.

Nays—Messrs. Buchanan, Clay of Alabama, Crittenden, Fulton, Grundy, Hubbard, King of Alabama, Knight, Linn, Morris, Lyon, Nicholas, Niles, Norvell, Roane, Robinson, Smith of Indiana, Strange, Swift, Tallmadge, Walker, Williams, Wall, Wright, Young—25.

The bill was then read a third time by general consent, and Mr. White having asked for the yeas and nays on the final passage of the bill, they were taken, and the bill was passed by the following vote:

Yeas—Messrs. Allen, Buchanan, Calhoun, Clay of Alabama, Clayton, Fulton, Grundy, Hubbard, Kent, King of Alabama, King of Georgia, Knight, Linn, Lyon, McKean, Morris, Nicholas, Niles, Norvell, Pierce, Rives, Roane, Robinson, Smith of Connecticut, Smith of Indiana, Strange, Swift, Tallmadge, Tipton, Walker, Wall, Webster, Williams, Wright, Young—25.

Nays—Messrs. Clay of Kentucky, Crittenden, Robbins, Southard, Spence, White—6.

So the bill was passed.

On motion of Mr. BUCHANAN the Senate proceeded to the consideration of Executive business, and then

Adjourned.

Wednesday, October 11.

WAREHOUSE BILL.

This bill coming up as the order of the day,

Mr. CLAY expressed his desire that the bill might be further postponed. He was in want of more information still. He was apprehensive that this system, if now adopted, would give the foreign manufacturer undue advantages over the American manufacturer. Another objection was, the expense of erecting public warehouses, &c. After stating other reasons for delay, Mr. C. expressed a hope that Mr. Wright would not now press the bill.

Mr. BUCAHNAN said he entertained no doubt of the sincerity of the Senator's friendship towards our domestic manufactures. They differed in opinion only as to the best mode of promoting this great interest. He thought the present bill was well calculated to produce this effect. Its direct tendency would be to prevent extravagant importations. If you abolish the credit system, and place imported goods in warehouses, requiring the payment of the duties in cash, when the goods were withdrawn from the custody of the Government, you would apportion the supply of such goods to the regular demand of the country. Those fluctuations in the quantity of foreign merchandise in market, sometimes greater and sometimes less than the country demanded, which had been so injurious to our domestic manufactures, would terminate. Fixed and regular prices was the best boon you could confer on this great interest.

He did not believe, with the Senators, that the permission to store foreign manufactures in our warehouses for the term of three years, would operate injuriously to the domestic manufacturer. The great security we had was, that the foreign importer would be deprived of the use of his capital during the whole period of this deposite. He

could not, as at present, give a bond to the Government for duties, and then dispose of his goods to pay the duties long before the time this bond became due. Besides, he would be subject to the expense of storage, which would increase in amount as the time of storage was prolonged. Foreign manufacturers and merchants could not afford to accumulate a vast amount of merchandise, during a long period, in the public stores, and thus be deprived of the use of their capital, for the purpose of deluging the country with them, and of breaking down any branch of our domestic manufactures. The warehousing system had always been a favorite with the friends of our manufactures.

In regard to the compromise law, he would say that, under all the circumstances which attended its passage, he considered it more binding upon himself than a mere ordinary act of legislation. If he could believe, for a moment, that this bill was a violation of its provisions, it should not receive his support. It had been said by my Lord Coke, or some other grave personage, that the spirit of the law was the life of the law. What then was the spirit of the compromise? It was, that the duties should continue to descend on a graduated scale until they reached twenty per cent. in the year 1842. Did this measure violate that law? Certainly not. It made no change in the rate of duties. It left them as they were, and merely provided that they should be paid when the merchant wished to sell his goods, and thus send them into the consumption of the country.

If the merchants, who also were interested in the compromise law, had complained, there would have been more reason in their complaints. They did not. From all he had heard, they were perfectly satisfied with the bill. No objections had been made to it from that quarter. There was a peculiar propriety in its adoption at this moment. We had just extended time to the merchants to pay their bonds for duties. This was a proper measure of relief both to them and to the country. If this bill should become a law, we never again should be placed in the same embarrassing situation. All duties would be paid in cash at the time when the merchants took their goods out of the public stores.

This bill, in his opinion, would benefit all interests, without inflicting injury on any. The cotton-growing region would be the most prosperous country that the sun had ever shone upon, if our exorbitant credit system could be corrected. At present, our paper circulation was so expanded that the price of every article which the planter consumed was doubled in amount. They sold their cotton in markets abroad—in France and England, and received the price for it, according to the standard of a much sounder currency than ours. But they bought their necessary supplies at a rate so high, in consequence of the depriciation of our currency, that often the whole proceeds of their crops were required to meet their ordinary expenses. The exchanges, from this cause, between themselves and the North, were often against them. This bill would be a wholesome regulation to the business of the country, and would thus greatly benefit the planting interest. He did not believe they would esteem it a violation of the compromise.

Under these convictions, he could not vote for the postponement of this bill. Even if it should prove true, as had been suggested, that the other House could not act upon it during the present session, still it was something to stamp it with the approbation of the Senate. It would go before the people in a more solemn form, and would more emphatically direct their attention to it between this time and the next meeting of Congress.

Mr. WRIGHT did not wish to press the bill ungenerously, but deeming it useful, and having heard no sufficient objections, it having been already often delayed, he wished it now to go before the country with the sanction of the Senate. The bill was mercantile only, and involved no party views.

Mr. CLAY still pressed for postponement. There were many principles involved in the operation of this bill, tending to a violation of the compromise act, especially the abolition of credits, which the bill involved. The privilege of warehousing gave great advantages to the great capitalists. They would be able to throw into the warehouses immense quantities of goods, where they could remain, ready to be brought out at any moment to destroy the home manufacturer. There was a danger of this kind even when the goods were at Liverpool, across the Atlantic; and how much greater would this danger be when the goods were at your door, in your warehouses, and not losing the time of transit over the waters? Mr. CLAY wished to hear what practical men thought of the bill, and how it would operate on the system of American industry. He, therefore, again hoped the bill would, at least, be postponed until next session, that some information might be obtained on the subject.

Mr. CALHOUN followed on the same side, and hoped the bill would be postponed. It had many points, and might be viewed in many aspects, all requiring more time and more information, with which he hoped the Senate would be indulged.

Mr. BUCHANAN said he did not wish to prolong this discussion, and would, therefore, content himself with a single observation. The statement of the Senator was correct, so far as it went; but he had omitted a leading feature, which was necessary to render it perfect. This he would beg leave to add. The gentleman to whom he had referred, (Judge Baldwin,) when chairman of the Committee of Domestic Manufactures in the House, in addition to what the Senator had stated, was also of opinion that one great cause of injury to our manufactures resulted from the fact that foreign merchants and manufacturers, in consequence of our credit system, could make immense importations; could sell their goods off immediately, and then could make a second, and sometimes a third, importation before the duties on the first became due. They thus converted the credits given to them by the Government into an active capital to be used in making extravagant importations, and thus breaking down our manufactures. Now, if this bill should pass, this system would be entirely destroyed. The duties would then be paid at the moment when the goods were required for the consumption of the country. Surely this was reasonable.

Mr. BAYARD differed altogether in view with Mr. BUCHANAN. This bill, instead of a credit of six months, would give a credit of three years. This was giving a great benefit to the foreign manufacturer, to the great injury of our own manufacturers. It would enable him to throw in any amount of goods, according to the state of the market. Thus it interfered extensively with the compromise act. It was a great revolution in the present state of our commerce. Want of stability—perpetual fluctuation—this, this was the great evil of our legislation, and now the administration was making more fluctuations. He would vote for the postponement.

Mr. NILES entered into a defence of the measures of the administration. He regarded this measure as one of a series of measures intended to give great relief to the country. This bill would give quiet and stability to the community, and restore confidence. There is, said he, a want of confidence in the people of this country in the legislation of Congress; this measure will restore the confidence of the people in Congress. Mr. N. wished this measure to be the crowning glory of this short session. The gentleman from Georgia [Mr. KING] had said on a former day that "glory had depreciated;" but not so. Mr. N. thought glory was rising. This was a measure which, along with the sub-Treasury scheme, would give great glory to the

administration and to Congress. Mr. N. then spoke of the United States Bank, &c., and closed by hoping that Congress would, by passing this bill and the sub-Treasury bill, consummate all the measures of the administration—fill up the measure of glory, and go home.

Mr. CLAY suggested to the Senator from Connecticut a little economy of glory. He wished Mr. Niles to consent to save only a little of it for the next session, and not to exhaust the stock all at once. Now, if this bill was postponed to next session, there would be a little glory for that session, and, according to the gentleman's showing, there would still be left glory enough for the present session.

The question was then taken on the motion to postpone, and decided in the negative, as follows:

Yeas—Messrs. Bayard, Calhoun, Clay of Kentucky, Clayton, Kent, Knight, Prentiss, Roane, Robbins, Smith of Indiana, Southard, Spence, Swift, Tallmadge, Tipton, White—15.

Nays—Messrs. Allen, Benton, Buchanan, Clay of Alabama, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Linn, Lyon, Nicholas, Niles, Norvell, Pierce, Ruggles, Smith of Connecticut, Strange, Walker, Wall, Wright, Young—23.

Mr. CLAY then said he had intended to offer some amendments to the bill; but for want of adequate information, and time having been refused to obtain any information from the proper sources, he should decline, at present, to offer any proposition relating to the subject.

The question was then taken on the engrossment for a third reading, and decided in the affirmative, as follows:

Yeas—Messrs. Allen, Benton, Buchanan, Clay of Alabama, Clayton, Fulton, Grundy, Hubbard, King of Alabama, King of Georgia, Linn, Lyon, McKean, Nicholas, Niles, Norvell, Pierce, Roane, Ruggles, Smith of Connecticut, Strange, Swift, Walker, Wall, White, Williams, Wright, Young—28.

Nays—Messrs. Calhoun, Kent, Smith of Indiana, Spence, Tipton—5.

MERCHANTS' BONDS.

On motion of Mr. WRIGHT, the Senate took up the amendment of the other House to the bill for the further extension of credit on merchants' revenue bonds.

Mr. WRIGHT briefly explained the nature and bearing of this amendment, giving his opinion that the part of the bill which had been stricken out was decidedly bad, especially as tending to an excess of foreign importations, and he informed the Senate that the Committee on Finance had informally advised the concurrence of the Senate in the House amendment.

Mr. KING, of Alabama, said he had no doubt, from the representations of the chairman of the committee, that the amendment of the House was very proper; but he wished more time to look into it, and therefore moved that the bill be laid on the table till to-morrow: and it was so ordered.

DISTRICT BANKS.

On motion of Mr. WRIGHT, the Senate proceeded to the consideration of the bill to force the banks in this District to resume specie payments, and to suppress the small paper currency of the District.

Mr. NORVELL said, if it were in the power of this body to apply the stern and rigid features of the bill to the banks of New York, by which the example of suspending specie payments was set, he would so apply them; and he would follow up the application to all the other banks by which that pernicious example had been followed. But it must be manifest to every Senator who had reflected upon the subject, that until the New York and some other State banks should resume the redemption of their bills in gold and silver, the banks of this District could not keep their vaults open twenty-four hours. Why, then, should they be required to do an impossible thing? Why should they be treated with a harshness, the effect of which cannot be to compel or enable those banks to continue specie payments one day, but inevitably would be to oppress the people of the District? Those people are without a representation in this or the other body. They, therefore, merit kind and indulgent dispositions and treatment at our hands. For these and other reasons, which might be assigned, he trusted that the bill would be postponed to the regular session in December; and he made a motion to that effect.

Mr. WRIGHT said it was not his purpose to detain the Senate with a debate on this subject. He would make but one observation. The bill embraced two objects, one of which was to coerce, as early as possible, the resumption of specie payments by the banks of this District which were chartered by Congress, and under its exclusive control. The other object, which was also very important, was to attempt to suppress the worthless individual paper issues in the District, which now constituted its currency almost exclusively. So that if gentlemen thought there was too much severity in the proposed measure in relation to the banks, this might be omitted without excluding action on the other branch of the bill, on which he hoped the Senate would now proceed. The people of the District were deeply interested, if Congress had the power, in the suppression of individual notes. Mr. W. thought the bill proposed to proceed too rapidly in relation to the banks; but he doubted not that gentlemen were prepared to offer amendments even to that part of the bill, so as to render it acceptable; and Mr. W. would resist no reasonable amendments. He had supposed it sufficient time that the banks should redeem $5 notes in 60 days, and that they should have notice now to resume specie payments in March, by which time it was thought probable the banks would resume generally.

Mr. KENT said it could not reasonably be expected that the banks in this District should resume before it should be done by the banks in the adjoining States, and in the country generally. He thought, therefore, that it was best to postpone the consideration of this subject till Congress should meet again, by which time many of the State Legislatures would have met and acted on the subject, so that Congress would know better how to conform their action on the banks here, with that on the banks of the States generally. So far, the action of the States on the subject had been quite limited. New York had extended indulgence to her banks, and had given them to understand that they were expected to resume in May next. Virginia had also sanctioned the conduct of her banks. The Legislature of Maryland would not meet till the last Monday in December, and there was little doubt that they would then fix on a time for the Maryland banks to resume.

The banks of this District (Mr. K. said) had been the last to suspend specie payments, and they had not then done it before consulting the Secretary of the Treasury, who had sanctioned the proceeding; and at the same time their debt to the Treasury had been cancelled. They were now as good as any banks in the country, with a circulation considerably reduced. It would be, therefore, much better, he thought, that the subject should be postponed.

Mr. BENTON said he thought it right that the Senate should understand the legal condition of these banks. Their charters had already run eighteen years, having been twice continued. In one of these continuations it was expressly stipulated, that if any one should fail of paying the demands upon it in the lawful currency of the United States, it should be lawful for Congress to revoke the charter of said bank. Another clause most imperatively required that they should not issue bills of a less denomination than $5; these two clauses together, and recollecting that the third continuation would expire in July next, and

that it was the intention of the committee to coerce them to resume before the expiration of the banks, for the purpose of winding up, and not of further continuing their operations, the committee were of opinion that if a majority of the two Houses were now disposed to continue them as banking institutions of circulation, and with the knowledge that the Federal Government had more hard money here than the business of the District could absorb; even in such case the committee were of opinion that at least these thrice continued institutions should now wind up, or their further continuation would amount to the perpetuation of their charters. The question, therefore, did not relate merely to the resumption of specie payments by these banks. Mr. B. concluded this branch of his subject with some remarks on the Bank of the United States.

It had been said (continued Mr. B.) that the people of this District had no representation on this floor. In one sense, sir, this is true. When I see laborers hammering hard stone upon the Avenue put off with shin-plasters, while Congress are paid in gold; while those laborers have food and clothing to purchase for their families with money at 20 per cent. below par, I feel that they have no representation here. The District banks have paid up, sir; but how, and in what? In paper, sir, at 20 per cent. below par—in the very paper which has been denounced on this floor as worthless and valueless; though the action of Congress has already reduced the depreciation from 20 to 5 or 10 per cent. This debt of the banks has been thus paid to the Government, and the Government has received it; and they have pushed the depreciated paper on the poor and the helpless, and would have done it if it had been at a discount of 50 per cent. And, sir, the banks have cleared the same 10 or 20 per cent. on every dollar of their money; and now we are told that it is a hardship on them to prepare to pay up! Mr. B. insisted that it was no hardship; he would not only make them pay up, but he would resist every thing that tended to remove them now from the hands of the Senate. If Congress dispersed without removing the pestilence of shin-plasters here, the State Legislatures would follow suit, and leave the pestilence remaining on the country.

Mr. KENT again rose. He admitted the badness of the District currency, which, he said, he had every disposition to remedy in a proper way. But it was no worse here than elsewhere; the same kind of circulation was to be found in every city, town, and village in the country, from one end of the United States to the other. And who, sir, (said Mr. K.) is to blame for this? Not I, sir. We had a sound and excellent currency in 1833, pervading every section of the country, and performing all the offices required for the successful operations of agriculture, commerce, and manufactures, and we entreated gentlemen to let well enough alone, but they would listen neither to our advice nor our warnings. You pushed on your experiment, in spite of all opposition, and now we have not the semblance of a currency. The gold paid to members of Congress—that sop to Cerberus—is not to be mentioned. It will not remain one hour. It is bought up and sent to New York, except a small portion, to be hoarded. Sir, I have not touched it, and I never shall. I am willing to share the fate of my constituents, be that what it may. What they receive for their hard earnings I shall receive for my pay. A similar proposition to pay the members of Congress was made in 1815, which I then resisted, and the House spurned at it and voted it down. I am glad, sir, I was not a member of the House when they subsequently converted all Congress into brokers. I am not here the special advocate of the banks. Since I have been here I have scarcely conversed with any one connected with them. They well know that they are in the hands of Congress, and they are prepared to bear the burdens which you may impose upon them.

The gentleman says he feels they have no representative here. Sir, (said Mr. K.) I know that. You impose on them the odious principle of taxation without representation. We all know that when money which had been levied upon them had accumulated in the Treasury to an unmanageable amount, you distributed it among the States, without allowing the District one cent of it. You did not give them any proportion of the surplus, to create which they had contributed more than a fair proportion. I say, sir, more than a fair proportion; for the people of the District consume more than the average-proportion of imported goods, situated as they are at the great and fashionable metropolis of the country; and yet you have withheld from them every cent of the excess of revenue produced by a tax on imported articles. And now you are, by rigorous laws, prepared to extinguish every mode and means of business among them. We know that these people require banks to facilitate their business, and it cannot be done without them. Sir, I do not suppose there is an individual in the District against them, or who would not demand their existence as essential to their own individual interests.

Approaching evils, sir, (said Mr. K.) sometimes cast their shadows far ahead. When I saw the letter of the ex-President urging that now was the time to divorce the Government from banking institutions, and to change the whole policy of the country on this subject, on a principle which has heretofore been so decidedly and entirely put down, I little expected—I did not dream—that that letter would be made the foundation of a message to Congress from the President, out of which an act of this kind would be originated. Sir, you have been warned that you cannot carry your measures into effect. You were told so in regard to your former experiment for a better currency, and you have verified the prediction. You could not get your better currency. You are now attempting a hard money currency. Sir, you cannot get it; it is not to be had; existing circumstances forbid it. Your measures have already done more mischief to the country than it will recover from in a quarter of a century. You are now waging war upon the State institutions—the banks of the States. What you propose to do here directly in relation to the banks in this District, no doubt you calculate on effecting indirectly in the States by your Treasury circular, your sub-Treasury system, and other measures calculated to discredit bank paper.

Sir, you will be defeated in this. Mr. Madison informs us that, could the convention which formed the constitution—which authorizes you to occupy the dignified station you hold—had they foreseen all the abuses charged upon the banking system, they would have been afraid to have attempted to put down the then existing banks, or to have prohibited the establishment of one. It would have defeated the constitution. In that convention we had Solomons in council, and an individual presided over it, "take him for all in all, we ne'er shall look upon his like again." And will you attempt what such a convention dare not do? You who have scarcely a majority in the representative branch, and ought to expect a change in this as soon as the sentiments of the respective State Legislatures shall be known, and they will all convene during the next winter.

Sir, you cannot fix on a day for the District banks to resume, unless the day is ascertained when the banks in the country generally will do it. The District banks will no doubt resume at that time. They are in as good condition as ever, and if I had thousands of dollars of their money in my pocket, I should be as well satisfied as if it were specie. We are assured that they are in a good condition by the Secretary of the Treasury, and that they were better in May last than for a long time previous. Sir, they are as strong again as the Bank of England at this time. Mr. K. concluded by repeating the hope that the motion to postpone the bill would prevail.

Mr. NORVELL observed, in relation to the allusions of the honorable Senator from Maryland to the Bank of the United States, and to the proceedings of this body on the fiscal concerns of the Government and country, that he was apprehensive that he had touched a cord whose vibrations might operate unfavorably to the object which he had in view. He regretted that they had been indulged in; and he deprecated the effect which they might have, but which he hoped they would not have, upon a part of the Senate. The bill presented a precise and simple proposition, and occupied a narrow space. It did not require the expanded view which the Senator from Maryland had taken of it. He wished it to be determined upon its own merits alone. With respect to the general denunciations by the Senator from Missouri of the banks which had suspended specie payments, and of the individual bills, which he would not call by the technical name by which they had been denominated here, he entirely concurred. If he had the power, he would not suffer the charter of any bank which ceased to redeem its notes with gold or silver to exist one moment. But abstract principles must sometimes yield to circumstances. We must be governed by those which surround us upon this occasion.

He stood not here as the advocate of banks. He looked to the interests of the people of this District, whose notes were held by these banks. The bill, if passed, would, he feared, produce extensive injury and suffering among them. These institutions would not, under existing circumstances, resume specie payments for any considerable time, while the banks in the neighboring States were in a condition of suspension. They would be compelled to press their debtors; and this would occasion the suffering and distress to which he had alluded, among the people of the District, who were entitled to our sympathies. In reference to what had fallen from the honorable Senator from New York, with regard to the irresponsible paper issues of individuals, he would go as far to suppress them as any Senator. If that Senator, whose ability was competent to any task of the kind, would prepare a provision for their suppression, he would cordially unite in its support. But when the charters of the District banks expired on the 1st of July next, and when strong menaces were, in these charters, denounced against them for any violation of law which they might commit, he could not perceive the necessity of holding over them the heavy penalties with which they were threatened in this bill.

Mr. BUCHANAN expressed himself in favor of indulgence to the banks, but also of a remedy for the evils of the District individual currency. He suggested to Mr. Norvell the propriety of withdrawing his motion to postpone the whole bill, in order that the two subjects might be divided, and that measures might be now taken for the suppression of individual notes.

Mr. NORVELL said that, with the view which had been presented by the honorable Senator from Pennsylvania, he would, for the present, withdraw the motion to postpone the bill to the regular session.

Mr. STRANGE made a few remarks, mostly inaudible across the hall at the reporter's desk. The import of his remarks was understood to be that he was opposed to legislating now on either branch of the subject, and preferred to leave both matters to the judicial tribunals under existing laws. He was opposed to much legislation on this subject. The evils, he thought, had a tendency to remedy themselves. The experience of the people in using shin-plasters would remedy the evils of the practice better than laws. So far from the people of the District being without a representative, every member of Congress was their special representative, and they were bound to watch over their interests with a parental care; and especially they were not to ruin them by too much legislation. Mr. S. therefore renewed the motion to postpone the whole subject till the next session.

Mr. CLAYTON made some remarks, (but, from his distance from the reporters, very imperfectly heard by them,) in which he objected to the bill as impossible to be carried into effect, and as greatly deficient in certain legal provisions, in relation to private and other property in the banks.

Mr. WALKER said he should vote for the postponement, not because he favored the abominable system of paper money, which he was anxious to destroy, but because there was not a resonable prospect, at this late day, of the bill passing the other House.

Mr. WRIGHT observed, in answer to the objection, that it would not be possible to coerce the District banks while all other banks are suspended; it would be better to begin here, and fix a point for commencement at once. Congress was acting as a State Legislature over the District, and such an argument would never be used in a State Legislature. Here Congress ought to begin, and here let it begin at once.

Mr. STRANGE, in reply to Mr. Wright, supported his former view of the subject.

Mr. SEVIER should vote for the postponement. He was in favor of showing mercy. In Mr. S's part of the country, even if a man committed murder, some time and some mercy were shown to him. As the charters of the banks would expire in July next, he should vote for the postponement of the bill now.

Mr. CLAYTON made some additional remarks to enforce his former views in opposition to the bill.

Mr. NILES. We must act at once, or we must postpone. The suspension was a violation of law on the part of the whole community, and if Congress does not act now, it will be a sanction of the violation of law. If we put off this bill, we say we have no power over banking institutions. Shall we let them go on? Shall we let them swindle the community? Mr. N. was in favor of free trade, but he was against free banking; free banking is nothing but free swindling. He was a Locofoco as far as that went.

Mr. KING, of Alabama, said he thought it probable there was not an individual in the Senate, except Mr. Benton, (and perhaps not he,) willing to take up this bill as it now stood. He therefore thought that the discussion, under such circumstances, had taken too wide a range. He thought that the banks would themselves attempt to resume, in order to get their charters renewed. Mr. K. thought, with Mr. Niles, that Congress had the power; but (said Mr. K.) shall we exercise that power? Shall we instantaneously ruin and crush the people of the District?

Mr. WALKER wished to call the attention of Mr. Buchanan, who was so anxious to act on this bill, to the fact that, if not engrossed to-day, it could not be sent to the House at all. What use was there, then, to take up the bill, to make a show of legislation, when to consummate the bill was impossible? Next session, when the bill came up, Mr. W. would vote in favor of it. He wished to coerce the banks.

Mr. BUCHANAN said he would not vote for all the sections of the bill as they now stood, but he wished the bill to be taken up now, in order to put down what are called shin-plasters. The views of Mr. Benton on that subject were most conclusive to his mind.

Mr. YOUNG, of Illinois, wished to know if Congress ought to sit in the midst of shin-plasters floating around them, and not discountenance them by at least an expression of its sentiments? It was a system of swindling, and ought to be put down. Mr. Y., in reply to Mr. Kent, said he (Mr. Y.) was a friend to the State banks; the enemies of those banks were those who were in favor of a national bank. By them it was that the State banks had been denounced. The Opposition were the first to cry out against the State banks, and they ought not now to sup-

port them; the Conservatives alone could consistently support them.

Mr. Y. then proceeded to argue that the United States Bank was the cause of preventing the resumption of specie payment. He concluded by intimating his intention to vote for immediately acting on the bill, in order to put down small notes.

Mr. WEBSTER said that, as there appeared to be a unanimous disposition among the members of the Senate to put down the small individual notes, and a general desire to leave the other severe parts of the bill untouched, he would move to strike out the two first sections of the bill, if the member from North Carolina [Mr. STRANGE] would, to give an opportunity to do so, withdraw his motion to postpone.

Mr. HUBBARD inquiried if it was the intention of Mr. STRANGE to withdraw his motion.

Mr. STRANGE would withdraw his motion to postpone in compliance with the views of the Senate. Mr. S. would take this opportunity of giving his views upon shin-plasters. He thought them better than corporation paper. There was no secrecy about them; they could not pass if the individual was of bad credit. Mr. S. then withdrew his motion to postpone.

Mr. WEBSTER then moved to strike out the two first sections, so as to leave nothing in the bill but the section against the small note circulation.

Mr. HUBBARD remarked that before the motion of the Senator from Massachusetts to strike out the first and second sections of the bill shall be voted upon, he should propose amendments, and his motion to amend the sections takes precedence of the motion to strike out. He felt an entire confidence that the bill could be amended, so as to make it entirely acceptable to the banks in this city. He was well satisfied that there was no disposition in this body, nor was there any feeling among the members of the Committee on Finance, to harass or in any manner to incommode the District banks. The committee felt it to be their duty to present the subject to the consideration of the Senate. It was here that Congress possessed the necessary jurisdiction. The banks created by their legislation had all suspended specie payments; they had done no more than the other banks of the country had done; but it was here, and here alone, that Congress could act with effect; and Congress was now in session, and it seemed to the committee to be not only in itself proper, but in a measure indispensable, for Congress to consider the course which the institutions established by their power had taken, and to see if there was an unavoidable necessity for the action of the banks. No one doubted that these local banks had violated their charters by refusing to redeem their notes with specie, when demanded; and yet there may have been such a controlling necessity for this measure, as would exonerate the banks from censure. The committee, then, had reported the bill now before that body as a measure called for by existing circumstances, by the exigency of the times; a measure due to the banks themselves, and due also to this community. But, sir, the committee felt no unkindness towards these banking institutions. The measure they have recommended would, if adopted, have a most salutary influence. He had no belief that the banks in this District could resume specie payments, while the banks of the surrounding States continued to refuse the redemption of their paper.

But if Congress should require the banks within their jurisdiction to resume specie payments within a limited time, it could not fail to produce upon the whole country a most happy and beneficial effect. It would induce a corresponding action in the several States; and, so far from expecting that the banks will be able within thirty or sixty days to resume specie payments, he believed that the Committee on Finance would sanction the proposition for amendment which he intended to make. He would move to strike out in the sixth line of the first section the words "sixty days," and to insert the words "four months;" and in the eighth line to strike out the word "thirty," and insert the word "sixty." If these amendments should be agreed to by the Senate, the banks would have sufficient time, it is believed, to resume specie payments, as the section would then require. He was satisfied that the banks in this city were in as good condition to resume specie payments as the other banking institutions of the country. The last official returns from these banks show this; and he had no hesitation in saying that those who had the direction of the banks in this city, as far as his knowledge extended, were anxious to have the banks resume specie payments. But it must occur to every man conversant with the subject, that the means of resuming specie payments must be drawn from the debtors of the banks; for it cannot be questioned that the extent of bank credits has involved the banks in their present calamities; and as soon as this bank credit shall be in a measure cancelled; as soon as the debtors of the banks shall be able to satisfy their liabilities, then will the banks be able to fulfil their obligations to the people. The fact cannot be denied, that the banks must be able to withdraw a portion of their paper circulation, before they can safely resume specie payments. This can only be accomplished through the agency and instrumentality of the debtors to these institutions. The banks in this District, and throughout the country, have, since May last, greatly curtailed their paper circulation. Their discounts have been, within that period, much reduced; and the time cannot be far distant when these banks will be perfectly able to resume specie payments. As far as his own knowledge extended, (and he had endeavored to make himself acquainted with the fact,) these banks have had no connexion with the manufacture of paper money of a less denomination than five dollars; if they have received the bills of other corporations of a small denomination, the fact is undeniable that the banks themselves are not justly obnoxious to the charge of making any such paper currency. Whether these banks can be justified in issuing small bills, he would not pretend to say; but the banks have not considered themselves as acting in the violation of their charters to receive and to pay out these small bills of other corporations; certain the fact is, that the banks have, in no instance, been guilty of manufacturing bills of a less denomination than five dollars. He was anxious to have his amendment adopted, and the sections, as amended, passed. He was persuaded that the effect here and elsewhere would be most salutary. He was also much in favor of an immediate action upon the third section of the bill: the interest and the well-being of this people demanded this measure at our hands. The state of the currency in the District of Columbia was such, that every Senator must feel himself called upon to correct this gross evil. And, sir, he did hope that something would now be done. He thought the best interests of the banks demanded it, and that the best interests of this community demanded it; and if no other part of the bill could be acted on for want of time, he trusted that the knowledge of the present paper currency in this District would induce an immediate action upon the third section of the bill.

Mr. NORVELL said, perceiving that there would be no end of amendments, he would renew his motion to postpone.

Mr. GRUNDY suggested to Messrs. HUBBARD and NORVELL, to withdraw their motions, and, for the sake of unanimity, to act upon Mr. WEBSTER's amendment.

Messrs. HUBBARD and NORVELL complied.

Mr. NILES called for the yeas and nays on Mr. WEBSTER's amendment, but the call was not seconded.

The amendment of Mr. WEBSTER, to strike out the two first sections of the bill, was then agreed to.

Mr. SMITH, of Indiana, expressed himself in favor of the general principle of the bill as now modified; but he moved to amend it by striking out the provisions allowing half the fine to the informer, and compelling the party accused to disclose or deny his delinquency on oath. Mr. S. argued against both these provisions as contrary to the principles of common law and a free Government, which would neither cherish informers, nor compel a man to bear testimony against himself.

Mr. WRIGHT insisted on these provisions as necessary to carry the bill into effect.

A conversation followed by Mr. SMITH, Mr. BENTON, and Mr. YOUNG, altogether of a legal character, but which was rendered almost wholly inaudible to the reporter, by the constant stirring in the chamber.

The question being put on Mr. Smith's amendment, it was decided in the negative: Ayes 13, noes not counted.

The bill was then ordered to be engrossed for a third reading.

MR. MADISON'S PAPERS.

Mr. WALL, from the Joint Committee on the Library, reported a bill relinquishing to Mrs. Madison the copyright in foreign countries to the late President Madison's Journal of the Debates of the Convention which formed the Constitution; and also the avails of such contracts as had been made by her relative to its publication, prior to the law of the last session, which authorized the purchase of those papers by Government.

This bill was, by unanimous consent, read twice, and ordered to be engrossed for a third reading.

On motion of Mr. TIPTON, the Senate held an executive session, and then adjourned.

Thursday, October 12.

ANNEXATION OF TEXAS.

Mr. WEBSTER said he rose to present a great number of memorials and petitions against the annexation of Texas to the United States. These papers, he said, were sent to him, some of them from most of the Northern and Eastern States. They were numerous, and some of them contained several thousand signatures. In some instances he knew the signers, and knew them to be highly respectable persons, and he found among the names persons of all parties in politics, and all sects in religion.

At one time, Mr. W. said, he had thought it might be as well not to present these petitions till the next session. But it being now officially known that the annexation of Texas to the United States had become the subject of communication between the two Governments, the time had come when it was proper that those citizens who wished to protest against any such annexation should make their sentiments known to their own Government.

Mr. SWIFT, Mr. McKEAN, and Mr. WILLIAMS, also presented remonstances on the same subject, from citizens of their respective States, which were severally laid on the table.

LAW OF BANKRUPTCY.

Mr. GRUNDY, from the Committee on the Judiciary, to whom was referred so much of the President's message as related to bankruptcy, moved that the committee be discharged from the further consideration of that subject.

On this motion:

Mr. BENTON rose and said: the recommendation of the President for a bankrupt law, applicable to banks and bankers, has been made the subject of repeated animadversion on this floor, and that while the subject was not before the Senate, but in the hands of a committee. I noticed these animadversions on a former occasion, not for argument, but for the purpose of exhibiting their unparliamentary character; to dissent from their justness; to express my own approbation of the recommendation; and to declare myself ready to support it, whenever it could be done in a parliamentary manner, and without obliquing into a discussion foreign to the subject in hand. The suitable occasion now presents itself; and I embrace it with pleasure, that the great remedial measure proposed by the President, and called for by the rights and interests of the people, and by the character of the country, may not be prejudiced by the unparliamentary and precocious assaults which have been made upon it.

At the head of those who have made the attack on this part of the message, and whose objections cover all the ground which has since been occupied by others, is the Senator from Massachusetts, who delivered his sentiments on the Treasury note bill, [Mr. Webster.] That Senator spoke brifly, but comprehensively, against this Executive recommendation. He presented all the points which others have since elaborated. In answering him, I answer all. His objections were particularly noted as he delivered them; but I find the substance of what he said so accurately condensed in one of the reports, that I think it the part of fairness to drop my own notes, and to have recourse to that report for the text of the observations which I propose to make. This is the report:

"Now, Mr. President, it is certainly true that the constitution authorizes Congress to establish uniform rules on the subject of bankruptcies; but it is equally true, and abundantly manifest, that this power was not granted with any reference to currency questions. It is a general power—a power to make uniform rules on the subject. How is it possible that such a power can be fairly exercised by seizing on corporations and bankers, but excluding all the other usual subjects of bankrupt laws. Besides, do such laws ordinarily extend to corporations at all? But suppose they might be so extended by a bankrupt law enacted for the usual purposes contemplated by such laws, how can a law be defended which embraces them and bankers alone?

"How do the President's suggestions conform to his notions of the constitution? The object of bankrupt laws, sir, has no relation to currency. It is simply to distribute the effects of insolvent debtors among their creditors; and I must say, it strikes me that it would be a great perversion of the power conferred on Congress, to exercise it upon corporations and bankers, with the leading and primary object of remedying a depreciated paper currency.

"And this appears the more extraordinary, inasmuch as the President is of opinion that the general subject of the currency is not within our province. Bankruptcy, in its common and just meaning, is within our province. Currency, says the message, is not. But we have a bankruptcy power in the constitution, and we will use this power, not for bankruptcy, indeed, but for currency. This, I confess, sir, appears to me to be the short statement of the matter. I would not do the message, or its author, any intentional injustice, nor create any apparent where there was not a real inconsistency; but I declare, in all sincerity, that I cannot reconcile the proposed use of the brankrupt power with those opinions of the message which respect the authority of Congress over the currency of the country."

These are the objections which the Senator from Massachusetts takes to the Executive recommendation. They are of a two-fold character: first, to the constitutional power of Congress to pass a bankrupt law, confined to moneyed corporations and bankers, and with a view to operate upon the paper currency; secondly, to the consistency of the President in having made such a recommendation.

I take up the second of these objections first, because it creates a prejudice against the whole recommendation of the President. The imputation of inconsistency creates a prejudice; and it is necessary to remove that prejudice before the recommendation can be fairly considered. The inconsistency imputed, lies in the suppose disclaimer of the

President of all federal authority over the currency, and then, an assumption of power to regulate that currency, and to regulate it by an unauthorized exercise of the power to pass bankrupt laws. This is the point of the imputed inconsistency. It all turns upon this word currency; and now, what currency does the Senator from Massachusetts mean? Certainly not the currency of the constitution; for the President recites the power to coin that currency, and to regulate its value. It must be the paper currency—the local bank notes and the shin-plasters—which are intended; and, if so, I have to remark that the President very explicitly disclaims both the authority, and the expediency, of having recourse to a national bank to regulate that species of currency. He disclaims that instrument of regulation; and in doing so, he stands upon the constitution, which disowns its existence; upon the fact, which shows its impotency; and upon the ground which the autors of the first national bank occupied, and to whom the regulation of currency and of exchanges was wholly unknown as among the reasons for its creation. These reasons are of modern conception and recent date. They are an after-thought of the subsequent supporters of the second national bank. The President disclaims also a power to suppress the local banking institutions by federal legislation; but he nowhere disclaims the authority to prevent their paper issues from superseding and expelling the hard money currency of the constitution. On the contrary, he claims that power, and points to the sources of its rightful exercise in the incidental effects of federal legislation in favor of hard money as necessarily improving the condition of paper currency; and then he points to the bankrupt power as furnishing the direct means of checking the issues of non-specie paying banks, and giving a remedy to the holders of their unpaid notes. This is what the President does; and nothing can be further from his words than a disclaimer of all authority over the regulation of currency. And here let me remark upon a systematic error into which some Senators incessantly fall: they always speak of the federal authority, and the federal duties over "the currency," meaning all the while, not gold and silver, but bank notes and shin-plasters. Now, sir, I repeat, for about the thousandth time, that the word currency is not in the constitution, nor any word whatsoever which can mean what these speakers intend by it. The nearest approach to the term which the constitution contains, is the word current, and that is coupled with the word coin; so that the thing which gentlemen have constantly in their minds, and which they use an equivocal term to express, exists nowhere in the constitution, and is not in any way known to that instrument, either by expression, or intendment. I think it right, on this occasion, thus to allude to the equivocal use of this phrase; for upon this equivocation there is built up, in these United States, an immensity of erroneous speaking, erroneous writing, and erroneous legislation. Vast is the number of persons who are mystified by the use of an equivocal term; and in nothing does the rhetorician show the perfection of his art in a higher degree, than in making a debate turn upon one of them.

The Senator from Massachusetts, in taking his objections, declared that he would not do intentional injustice to the message or to its author; but it is the same thing to the message, and to the author, if injustice had been done without intention: and this I apprehend to have been the case. The message says nothing about confining the bankrupt law to corporations and bankers alone; its says nothing about excluding merchants and traders from the operation of the law; and it proposes something else to result from the law, besides an operation upon currency; and that something else is a remedy to the disappointed creditors of the delinquent banks. This is his recommendation:

"In the mean time, it is our duty to provide all the remedies against a depreciated paper currency which the constitution enables us to afford. The Treasury Department, on several former occasions, has suggested the propriety and importance of a uniform law concerning bankruptcies of corporations and other bankers. Through the instrumentality of such a law, a salutary check may doubtless be imposed on the issues of paper money, and an effectual remedy given to the citizens, in a way at once equal in all parts of the Union, and fully authorized by the constitution."

This is the recommendation—the whole of it; and here is no proposition to exclude merchants and traders; and here is an actual proposition to give a remedy to the injured citizens against the delinquent banks; which remedy would naturally be a *pro rata* distribution of the effects of the bankrupt institutions. Here, then, is injustice to the message in not stating it as it is, but as it is not; and here, also, is injustice to the author, in representing him as opposed to the extension of the bankrupt law to merchants and traders, when the records of this Senate bear the evidence of the fact that he has been one of the most able and zealous supporters of such a law applicable to the trading part of the community. I speak of the bill of 1827, brought in by General Hayne, of South Carolina, and earnestly supported by the present Chief Magistrate, then a member of this body. It is unjust to suppose that the present Chief Magistrate would object to a bill which should include now those for whom he so strenuously contended when a member of this body. There is nothing in the recommendation to deter the friends of a general bankrupt law from coming forward to include the trading class with the banking class; on the contrary, there may be something to encourage them. A general bill, to include banks as well as traders, might combine more support than the bills for the latter class alone have heretofore received. Besides, if the President had expressly recommended the exclusion of other classes from the bill, it would have been no impediment to the action of Congress. His recommendation would have been no prohibition upon their powers. They might have included what classes they pleased; and if they included those for which he contended in 1827, the bill might have become the more acceptable to him on that account.

The Senator from Massachusetts objects to our constitutional power to pass such a bankrupt law as the President recommends, qualifying that recommendation, as he does, with a limitation of the law to bankers and banking corporations, and with a primary view to the regulation of a paper money currency. I have shown that this qualification is an error and a mistake; and in doing that, I have sufficiently answered the Senator's objection: but I choose to go further, and to show not only the constitutional right, but the clear expediency of passing such an act as the President recommends, whether merchants and traders shall be included in it or not.

The power of Congress to pass bankrupt laws is expressly given in our constitution, and given without limitation or qualification. It is the fourth in the number of the enumerated powers, and runs thus: "Congress shall have power to establish an uniform rule of naturalization, and uniform laws on the subject of bankruptcies throughout the United States." This is a full and clear grant of power. Upon its face it admits of no question, and leaves Congress at full liberty to pass any kind of bankrupt laws they please, limited only by the condition, that whatever laws are passed, they are to be uniform in their operation throughout the United States. Upon the face of our own constitution there is no question of our right to pass a bankrupt law, limited to banks and bankers; but the Senator from Massachusetts, [Mr. WEBSTER,] and others who have spoken on the same side with him, must carry us to England, and conduct us through the labyrinth of English statute law, and through the chaos of English judicial de-

cisions, to learn what this word bankruptcies, in our constitution, is intended to signify. In this he, and they, are true to the habits of the legal profession—those habits which, both in Great Britain and our America, have become a proverbial disqualification for the proper exercise of legislative duties. I know, Mr. President, that it is the fate of our lawyers and judges to have to run to British law books to find out the meaning of the phrases contained in our constitution; but it is the business of the legislator, and of the statesman, to take a larger view—to consider the difference between the political institutions of the two countries—to ascend to first principles—to know the causes of events—and to judge how far what was suitable and beneficial to one might be prejudicial and inapplicable to the other. We stand here as legislators and statesmen, not as lawyers and judges; we have a grant of power to execute, not a statute to interpret; and our first duty is to look to that grant, and see what it is; and our next duty is to look over our country, and see whether there is any thing in it which requires the exercise of that grant of power. This is what our President has done, and what we ought to do. He has looked into the constitution, and seen there an unlimited grant of power to pass uniform laws on the subject of bankruptcies; and he has looked over the United States, and seen what he believes to be fit subjects for the exercise of that power, namely, about a thousand banks in a state of bankruptcy, and no State possessed of authority to act beyond its own limits in remedying the evils of a mischief so vast and so frightful. Seeing these two things—a power to act, and a subject matter requiring action—the President has recommended the action which the constitution permits, and which the subject requires; but the Senator from Massachusetts has risen in his place, and called upon us to shift our view; to transfer our contemplation—from the constitution of the United States to the British statute book—from actual bankruptcy among ourselves to historical bankruptcy in England; and to confine our legislation to the characteristics of the English model.

As a general proposition, I lay it down that Congress is not confined, like jurists and judges, to the English statutory definitions, or the Nisi Prius or King's Bench construction of the phrases known to English legislation, and used in our constitution. Such a limitation would not only narrow us down to a mere lawyer's view of a subject, but would limit us, in point of time, to English precedents, as they stood at the adoption of our constitution, in the year 1789. I protest against this absurdity, and contend that we are to use our granted powers according to the circumstances of our own country, and according to the genius of our republican institutions, and according to the progress of events and the expansion of light and knowledge among ourselves. If not, and if we are to be confined to the "usual objects," and the "usual subjects," and the "usual purposes," of British legislation at the time of the adoption of our constitution, how could Congress ever make a law in relation to steamboats, or to railroad cars, both of which were unknown to British legislation in 1789; and therefore, according to the idea that would send us to England to find out the meaning of our constitution, would not fall within the limits of our legislative authority. Upon their face, the words of the constitution are sufficient to justify the President's recommendation, even as understood by those who impugn that recommendation. The bankrupt clause is very peculiar in its phraseology, and the more strikingly so from its contrast with the phraseology of the naturalization clause, which is coupled with it. Mark this difference: there is to be an uniform rule of naturalization; there are to be uniform laws on the subject of bankruptcies. One is in the singular, the other in the plural; one is to be a rule, the other are to be laws; one acts on individuals, the other on the subject; and it is bankruptcies that are, and not bankruptcy that is, to be the objects of these uniform laws.

As a proposition, now limited to this particular case, I lay it down that we are not confined to the modern English acceptation of this term *bankrupt*; for it is a term, not of English, but of Roman origin. It is a term of the civil law, and borrowed by the English from that code. They borrowed from Italy both the name and the purpose of the law; and also the first objects to which the law was applicable. The English were borrowers of every thing connected with this code; and it is absurd in us to borrow from a borrower—to copy from a copyist—when we have the original lender and the original text before us. *Bancus* and *ruptus* signifies a broken bank; and the word *broken* is not metaphorical but literal, and is descriptive of the ancient method of cashiering an insolvent or fraudulent banker, by turning him out of the exchange or market place, and breaking the table to pieces on which he kept his money and transacted his business. The term *bankrupt*, then, in the civil law from which the English borrowed it, not only applied to bankers, but was confined to them; and it is preposterous in us to limit ourselves to an English definition of a civil law term.

Upon this exposition of our own constitution, and of the civil law derivation of this term *bankrupt*, I submit that the Congress of the United States is not limited to the English judicial or statutory acceptation of the term; and so I finish the first point which I took in the argument. The next point is more comprehensive, and makes a direct issue with the proposition of the Senator from Massachusetts, [Mr. Webster.] His proposition is, that we must confine our bankrupt legislation to the usual objects, the usual subjects, and the usual purposes of bankrupt laws in England; and that currency (meaning paper money and shinplasters of course) and banks, and banking, are not within the scope of that legislation. I take issue, sir, upon all these points, and am ready to go with the Senator to England, and to contest them, one by one, on the evidences of English history, of English statute law, and of English judicial decision. I say English; for, although the Senator did not mention England, yet he could mean nothing else, in his reference to the usual objects, usual subjects, and usual purposes of bankrupt laws. He could mean nothing else. He must mean the English examples and the English practice, or nothing; and he is not a person to speak, and mean nothing.

Protesting against this voyage across the high seas, I nevertheless will make it, and will ask the Senator on what act, out of the scores which Parliament has passed upon this subject, or on what period, out of the five hundred years that she has been legislating upon it, will he fix for his example? Or, whether he will choose to view the whole together; and out of the vast chaotic and heterogeneous mass, extract a general power which Parliament possesses, and which he proposes for our exemplar? For myself, I am agreed to consider the question under the whole or under either of these aspects, and, relying on the goodness of the cause, expect a safe deliverance from the contest, take it in any way.

And first, as to the acts passed upon this subject; great is their number, and most dissimilar their provisions. For the first two hundred years, these acts applied to none but aliens, and a single class of aliens, and only for a single act, that of flying the realm to avoid their creditors. Then they were made to apply to all debtors, whether natives or foreigners, engaged in trade or not, and took effect for three acts: 1st. Flying the realm; 2d. Keeping the house to avoid creditors; 3d. Taking sanctuary in a church to avoid arrest. For upwards of two hundred years—to be precise, for two hundred and twenty years—bankruptcy was only treated criminally, and directed against those who would not face their creditors, or abide the laws of the land; and

the remedies against them were not civil, but criminal; it was not a distribution of the effects, but corporal punishment, to wit: imprisonment and outlawry.* The statute of Elizabeth was the first that confined the law to merchants and traders, took in the unfortunate as well as the criminal, extended the acts of bankruptcy to inability as well as to disinclination to pay, discriminated between innocent and fraudulent bankruptcy, and gave to creditors the remedial right to a distribution of effects. This statute opened the door to judicial construction, and the judges went to work to define by decisions, who were traders, and what acts constituted the fact, or showed an intent to delay or to defraud creditors. In making these decisions, the judges reached high enough to get hold of royal companies, and low enough to get hold of shoemakers; the latter upon the ground that they bought the leather out of which they made the shoes; and they even had a most learned consultation to decide whether a man who was a landlord for dogs, and bought dead horses for his four-legged boarders, and then sold the skins and bones of the horse carcases he had bought, was not a trader within the meaning of the act, and so subject to the statute of bankrupts. These decisions of the judges set the Parliament to work again to preclude judicial constructions by the precision, negatively and affirmatively, of legislative enactment. But, worse and worse! Out of the frying-pan into the fire. The more legislation the more construction; the more statutes Parliament made, the more numerous and the more various the judicial decisions; until, besides merchants and traders, near forty other descriptions of persons were included, and the catalogue of bankruptcy acts, innocent or fraudulent, is swelled to a length which requires whole pages to contain it. Among those who are now included by statutory enactment in England, leaving out the great classes comprehended under the names of merchants and traders, are bankers, brokers, factors, and scriveners; insurers against perils by sea and land; warehousemen, wharfingers, packers, builders, carpenters, shipwrights and victuallers; keepers of inns, hotels, taverns and coffe-houses; dyers, printers, bleachers, fullers, calendarers, sellers of cattle or sheep; commission merchants and consignees; and the agents of all these classes. These are the affirmative definitions of the classes liable to bankruptcy in England; then come the negative; and among these are farmers, graziers, and common laborers for hire; the receivers general of the king's taxes, and members or subscribers to any incorporated companies established by charter of act of Parliament. And among these negative and affirmative exclusions and inclusions, there are many classes which have repeatedly changed position, and found themselves successively in and out of the bankrupt code. Now, in all this mass of variant and contradictory legislation, what part of it will the Senator from Massachusetts select for his model? The improved, and approved parts, to be sure! But here a barrier presents itself—an impassable wall interposes—a veto power intervenes. For it so happens that the improvements in the British bankrupt code, those parts of it which are considered best, and most worthy of our imitation, are of modern origin—the creations of the last fifty years—actually made since the date of our constitution; and, therefore, not within the pale of its purview and meaning. Yes, sir, made since the establishment of our constitution, and, therefore, not to be included within its contemplation, unless this doctrine of searching into British statutes for the meaning of our constitution, is to make us search forwards to the end of the British empire, as well as search backwards to its beginning. Fact is, that the actual bankrupt code of Great Britain—the one that preserves all that is valuable, that consolidates all that is preserved, and improves all that is improvable, is an act of most recent date—of the reign of George the Fourth, and not yet a dozen years old. Here, then, in going back to England for a model, we are cut off from her improvements in the bankrupt code, and confined to take it as it stood under the reign of the Plantagenets, the Stuarts, and the earlier reigns of the Brunswick sovereigns. This should be a consideration, and sufficiently weighty to turn the scale in favor of looking to our own constitution alone for the extent and circumscription of our powers.

But let us continue this discussion upon principles of British example and British legislation. We must go to England for one of two things; either for a case in point, to be found in some statute, or a general authority, to be extracted from a general practice. Take it either way, or both ways, and I am ready and able to vindicate, upon British precedents, our perfect right to enact a bankrupt law, limited in its application to banks and bankers. And first, for a case in point, that is to say, an English statute of bankruptcy, limited to these lords of the purse-strings: we have it at once, in the first act ever passed on the subject—the act of the 30th year of the reign of Edward the Third, against the Lombard Jews. Every body knows that these Jews were bankers, usually formed into companies, who, issuing from Venice, Milan, and other parts of Italy, spread over the south and west of Europe, during the middle ages, and established themselves in every country and city in which the dawn of reviving civilization, and the germe of returning industry, gave employment to money, and laid the foundation of credit. They came to London as early as the thirteenth century, and gave their name to a street which still retains it, as well as it still retains the particular occupation, and the peculiar reputation, which the Lombard Jews established for it. The first law against bankrupts ever passed in England, was against the banking company composed of these Jews, and confined exclusively to them. It remained in force two hundred years, without any alteration whatever, and was nothing but the application of the law of their own country to these bankers in the country of their sojournment—the Italian law, founded upon the civil law, and called in Italy *banco rotto*, broken bank. It is in direct reference to these Jews, and this application of the exotic bankrupt law to them, that Sir Edward Coke, in his institutes, takes occasion to say that both the name and the wickedness of bankruptcy were of foreign origin, and had been brought into England from foreign parts. It was enacted under the reign of one of the most glorious of the English princes—a reign as much distinguished for the beneficence of its civil administration as for the splendor of its military achievements. This act of itself is a full answer to the whole objection taken by the Senator from Massachusetts. It shows that, even in England, a bankrupt law has been confined to a single class of persons, and that class a banking company. And here I would be willing to close my speech upon a compromise—a compromise founded in reason and reciprocity, and invested with the equitable mantle of a mutual concession. It is this: if we must follow English precedents, let us follow them chronologically and orderly. Let us begin at the beginning, and take them as they rise. Give me a bankrupt law for two hundred years against banks and bankers; and, after that, make another for merchants and traders.

The Senator from Massachussetts [Mr. WEBSTER] has emphatically demanded, how the bankrupt power could be fairly exercised by seizing on corporations and bankers, and excluding all the other usual subjects of bankrupt laws? I answer, by following the example of that England to

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* *Preamble to the act of 34th of* HENRY VIII.

"Whereas divers and sundry persons craftily obtained into their hands great substance of other men's goods, do suddenly flee to parts unknown, or keep their houses, not minding to pay or restore to any of their creditors, their debts and duties, but at their own wills and own pleasures consume the substance obtained by credit of other men, for their own pleasures and delicate living, against all reason, equity, and good conscience."

which he has conducted us; by copying the act of the 30th of Edward the Third; by going back to that reign of heroism, patriotism, and wisdom; that reign in which the monarch acquired as much glory from his domestic policy as from his foreign conquests; that reign in which the acquisition of dyers and weavers from Flanders, the observance of law and justice, and the encouragement given to agriculture and manufactures, conferred more benefit upon the kingdom, and more glory upon the king, than the splendid victories of Poictiers, Agincourt, and Cressy.

But the Senator may not be willing to yield to this example, this case in point, drawn from his own fountain, and precisely up to the exigency of the occasion. He may want something more, and he shall have it. I will now take the question upon its broadest bottom and fullest merits. I will go to the question of general power—the point of general authority—exemplified by the general practice of the British Parliament, for five hundred years, over the whole subject of bankruptcy. I will try the question upon this basis; and here I lay down the proposition, that this five hundred years of parliamentary legislation on bankruptcy establishes the point of full authority in the British Parliament to act as it pleased on the entire subject of bankruptcies. This is my proposition; and, when it is proved, I shall claim from those who carry me to England for authority, the same amount of power over the subject which the British Parliament has been in the habit of exercising. Now, what is the extent of that power? Happily for me, I, who have to speak, without any inclination for the task; still more happily for those who have to hear me, peradventure without profit or pleasure; happily for both parties, my proposition is already proved, partly by what I have previously advanced, and fully by what every Senator knows. I have already shown the practice of Parliament upon this subject, that it has altered and changed, contracted and enlarged, put in and left out, abolished and created, precisely as it pleased. I have already shown, in my rapid view of English legislation on this subject, that the Parliament exercised plenary power and unlimited authority over every branch of the bankrupt question; that it confined the action of the bankrupt laws to a single class of persons, or extended it to many classes; that it was sometimes confined to foreigners, then applied to natives, and that now it comprehends natives, aliens, denizens, and women; that at one time all debtors were subject to it; then none but merchants and traders; and now, besides merchants and traders, a long list of persons who have nothing to do with trade; that at one time bankruptcy was treated criminally, and its object punished corporeally, while now it is a remedial measure for the benefit of the creditors, and the relief of unfortunate debtors; and that the acts of the debtor which may constitute him a bankrupt, have been enlarged from three or four glaring misdeeds, to so long a catalogue of actions, divided into the heads of innocent and fraudulent; constructive and positive; intentional and unintentional; voluntary and forced; that none but an attorney, with book in hand, can pretend to enumerate them. All this has been shown; and, from all this, it is incontestable that Parliament can do just what it pleases on the subject; and, therefore, our Congress, if referred to England for its powers, can do just what it pleases also. And thus, whether we go by the words of our own constitution, or by a particular example in England, or deduce a general authority from the general practice of that country, the result is still the same: we have authority to limit, if we please, our bankrupt law to the single class of banks and bankers.

The Senator from Massachusetts [Mr. Webster] demands whether bankrupt laws ordinarily extend to corporations, meaning moneyed corporations. I am free to answer that, in point of fact, they do not. But why? because they ought not? or because these corporations have yet been powerful enough, or fortunate enough, to keep their necks out of that noose? Certainly the latter. It is the power of these moneyed corporations in England, and their good fortune in our America, which, enabling them to grasp all advantages on one hand, and to repulse all penalties on the other, has enabled them to obtain express statutory exemption from bankrupt liabilities in England, and to escape, thus far, from similar liabilities in the United States. This, sir, is history, and not invective; it is fact, and not assertion; and I will speedily refresh the Senator's memory, and bring him to recollect why it is, in point of fact, that bankrupt laws do not usually extend to these corporations. And, first, let us look to England, that great exemplar, whose evil examples we are so prompt, whose good ones we are so slow, to imitate. How stands this question of corporation unliability there? By the judicial construction of the statute of Elizabeth, the partners in all incorporated companies were held subject to the bankrupt law; and, under this construction, a commission of bankrupt was issued against Sir John Wolstenholme, a gentleman of large fortune, who had advanced a sum of money on an adventure in the East India Company's trade. The issue of this commission was affirmed by the Court of King's Bench; but this happened to take place in the reign of Charles the Second—that reign during which so little is found worthy of imitation in the Government of Great Britain—and immediately two acts of Parliament were passed, one to annul the judgment of the Court of King's Bench in the case of Sir John Wolstenholme, and the other to prevent any such judgments from being given in future. Here are copies of the two acts:

First act, to annul the judgment.

"Whereas a verdict and judgment was had in the Easter term of the King's Bench, whereby Sir John Wolstenholme, knight, and adventurer in the East India Company, was found liable to a commission of bankrupt only for, and by reason of, a share which he had in the joint stock of said company: Now, &c., Be it enacted, That the said judgment be reversed, annulled, vacated, and for nought held," &c.

Second act, to prevent such judgments in future.

"That whereas divers noblemen and gentlemen, and persons of quality, no ways bred up to trade, do often put in great stocks of money into the East India and Guinea Company: Be it enacted, That no persons adventurers for putting in money or merchandise into the said companies, or for venturing or managing the fishing trade, called the royal fishing trade, shall be reputed or taken to be a merchant or trader within any statutes for bankrupts."

Thus, and for these reasons, were chartered companies and their members exempted from the bankrupt penalties, under the dissolute reign of Charles the Second. It was not the power of the corporations at that time—for the Bank of England was not then chartered, and the East India Company had not then conquered India—which occasioned this exemption; but it was to favor the dignified characters who engaged in the trade—noblemen, gentlemen, and persons of quality. But, afterwards, when the Bank of England had become almost the Government of England, and when the East India Company had acquired the dominions of the Great Mogul, an act of Parliament expressly declared that no member of any incorporated company, chartered by act of Parliament, should be liable to become bankrupt. This act was passed in the reign of George the Fourth, when the Wellington ministry was in power, and when liberal principles and human rights were at the last gasp. So much for these corporation exemptions in England; and if the Senator from Massachusetts finds any thing in such instances worthy of imitation, let him stand forth and proclaim it.

But, sir, I am not yet done with my answer to this question, do such laws ordinarily extend to corporations at all? I answer, most decidedly, that they do! that they apply in

England to all the corporations, except those specially excepted by the act of George the Fourth; and these are few in number, though great in power—powerful, but few—nothing but units to myriads, compared to those which are not excepted. The words of that act are: "Member of, or subscriber to, any incorporated commercial or trading companies, established by charter act of Parliament." These words cut off at once the many ten thousand corporations in the British empire existing by prescription, or incorporated by letters patent from the King; and then they cut off all those even chartered by act of Parliament, which are not commercial or trading in their nature. This saves but a few out of the hundreds of thousands of corporations which abound in England, Scotland, Wales, and Ireland. It saves, or rather confirms, the exemption of the Bank of England, which is a trader in money, and it confirms, also, the exemption of the East India Company, which is, in contemplation of law at least, a commercial company; and it saves or exempts a few others deriving charters of incorporation from Parliament; but it leaves subject to the law the whole wilderness of corporations, of which there are thousands in London alone, which derive from prescription or letters patent; and it also leaves subject to the same laws all the corporations created by charter act of Parliament, which are not commercial or trading. The words of the act are very peculiar—"charter act of Parliament;" so that corporations by a general law, without a special charter act, are not included in the exemption. This answer, added to what has been previously said, must be a sufficient reply to the Senator's question, whether bankrupt laws ordinarily extend to corporations? Sir, out of the myriad of corporations in Great Britain, the bankrupt law extends to the whole, except some half dozen or dozen.

So much for the exemption of these corporations in England; now for our America. We never had but one bankrupt law in the United States, and that for the short period of three or four years. It was passed under the administration of the elder Mr. Adams, and repealed under Mr. Jefferson. It copied the English acts including among the subjects of bankruptcy, bankers, brokers, and factors. Corporations were not included; and it is probable that no question was raised about them, as, up to that time, their number was few, and their conduct generally good. But, at a later date, the enactment of a bankrupt law was again attempted in our Congress; and, at that period, the multiplication and the misconduct of banks presented them to the minds of many as proper subjects for the application of the law; I speak of the bill of 1827, brought into the Senate, and lost. That bill, like all previous laws since the time of George II, was made applicable to bankers, brokers, and factors. A Senator from North Carolina [Mr. BRANCH] moved to include banking corporations. The motion was lost, there being but twelve votes for it; but in this twelve there were some whose names must carry weight to any cause to which they are attached. The twelve were, Messrs. Barton, Benton, Branch, Cobb, Dickerson, Hendricks, Macon, Noble, Randolph, Reed, Smith of South Carolina, and White. The whole of the friends of the bill, twenty-one in number, voted against the proposition, (the present Chief Magistrate in the number,) and for the obvious reason, with some, of not encumbering the measure they were so anxious to carry, by putting into it a new and untried provision. And thus stands our own legislation on this subject. In point of fact, then, chartered corporations have thus far escaped bankrupt penalties, both in England, and in our America; but ought they to continue to escape? This is the question—this the true and important inquiry, which is now to occupy the public mind.

The Senator from Massachusetts [Mr. WEBSTER] says the object of bankrupt laws has no relation to currency; that their object is simply to distribute the effects of insolvent debtors among their creditors. So says the Senator, but what says history? What says the practice of Great Britain? I will show you what it says, and for that purpose will read a passage from McCulloh's notes on Smith's Wealth of Nations. He says:

"In 1814-'15, and '16, no fewer than 240 country banks stopped payment, and ninety-two commissions of bankruptcy were issued against these establishments, being at the rate one commission against every seven and a half of the total number of country banks existing in 1813."

Two hundred and forty stopped payment at one dash, and ninety-two subjected to commissions of bankruptcy. They were not indeed chartered banks, for there are none such in England, except the Bank of England; but they were legalized establishments, existing under the first joint-stock bank act of 1708, and they were banks of issue. Yet they were subjected to the bankrupt laws, ninety-two of them in a single season of bank catalepsy; their broken "promises to pay" were taken out of circulation; their doors closed; their directors and officers turned out; their whole effects, real and personal, their money, debts, books, paper, and every thing, put into the hands of assignees; and to these assignees, the holders of their notes forwarded their demands, and were paid, every one in equal proportion—as the debts of the bank were collected, and its effects converted into money; and this without expense or trouble to any one of them. Ninety-two banks in England shared this fate in a single season of bank mortality; five hundred more could be enumerated in other seasons, many of them superior in real capital, credit, and circulation, to our famous chartered banks, most of which are banks of moonshine, built upon each other's paper, and the whole ready to fly sky-high the moment any one of the concern becomes sufficiently inflated to burst. The immediate effect of this application of the bankrupt laws to banks in England, is two-fold: first, to save the general currency from depreciation, by stopping the issue and circulation of irredeemable notes; secondly, to do equal justice to all creditors, high and low, rich and poor, present and absent, the widow and the orphan, as well as the cunning and the powerful, by distributing their effects in proportionate amounts to all who hold demands. This is the operation of bankrupt laws upon banks in England, and all over the British empire; and it happens to be the precise check upon the issue of broken bank paper, and the precise remedy for the injured holders of their dishonored paper, which the President recommends. Here is his recommendation, listen to it:

"In the mean time, it is our duty to provide all the remedies against a depreciated paper currency which the constitution enables us to afford. The Treasury Department, on several former occasions, has suggested the propriety and importance of a uniform law concerning bankruptcies of corporations and other bankers. Through the instrumentality of such a law, a salutary check may doubtless be imposed on the issues of paper money, and an effectual remedy given to the citizen, in a way at once equal in all parts of the Union, and fully authorized by the constitution."

The Senator from Massachusetts says he would not, intentionally, do injustice to the message or its author; and doubtless he is not conscious of violating that benevolent determination; but here is injustice, both to the message and to its author; injustice in not quoting the message as it is, and showing that it proposes a remedy to the citizen, as well as a check upon insolvent issues; injustice to the author in denying that the object of bankrupt laws has any relation to currency, when history shows that these laws are the actual instrument for regulating and purifying the whole local paper currency of the entire British empire, and saving that country from the frauds, losses, impositions, and demoralization of an irredeemable paper money.

The Senator from Massachusetts says the object of bank-

rupt laws has no relation to currency. If he means hard-money currency, I agree with him; but if he means bank notes, as I am sure he does, then I point him to the British bankrupt code, which applies to every bank of issue in the British empire, except the Bank of England itself, and the few others, four or five in number, which are incorporated by charter acts. All the joint stock banks, all the private banks, all the bankers of England, Scotland, Wales, and Ireland, are subject to the law of bankruptcy. Many of these establishments are of great capital and credit; some having hundreds, or even thousands of partners; and many of them having ten, or twenty, or thirty, and some even forty branches. They are almost the exclusive furnishers of the local and common bank-note currency; the Bank of England notes being chiefly used in the great cities for large mercantile and Government payments. These joint-stock banks, private companies, and individual bankers are, practically, in the British empire what the local banks are in the United States. They perform the same functions, and differ in name only; not in substance nor in conduct. They have no charters, but they have a legalized existence; they are not corporations, but they are allowed by law to act in a body; they furnish the actual paper currency of the great body of the people of the British empire, as much so as our local banks furnish the mass of paper currency to the people of the United States. They have had twenty-four millions sterling (one hundred and twenty millions of dollars) in circulation at one time; a sum nearly equal to the greatest issue ever known in the United States, and more than equal to the whole bank-note circulation of the present day. They are all subject to the law of bankruptcy, and their twenty-four millions sterling of currency along with them; and five hundred of them have been shut up and wound up under commissions of bankruptcy in the last forty years; and yet the Senator from Massachusetts informs us that the object of bankrupt laws has no relation to currency!

But it is not necessary to go all the way to England to find bankrupt laws having relation to currency. The act passed in our own country, about forty years ago, applied to bankers; the bill brought into the House of Representatives, about fifteen years ago, by a gentleman then, and now, a Representative from the city of Philadelphia, [Mr. Sergeant,] also applied to bankers; and the bill brought into this Senate, ten years ago, by a Senator from South Carolina, not now a member of this body, [General Hayne,] still applied to bankers. These bankers, of whom there were many in the United States, and of whom Girard, in the East, and Yeatman and Woods, in the West, were the most considerable—these bankers all issued paper money; they all issued currency. The act, then, of 1798, if it had continued in force, or the two bills just referred to, if they had become law, would have operated upon these bankers and their banks—would have stopped their issues, and put their establishments into the hands of assignees, and distributed their effects among their creditors. This, certainly, would have been having some relation to currency: so that, even with our limited essays towards a bankrupt system, we have scaled the outworks of the banking empire; we have laid hold of bankers, but not of banks; we have reached the bank of Girard, but not the Girard bank; we have applied our law to the bank of Yeatman and Woods, but not to the rabble of petty corporations which have not the tithe of their capital and credit. We have gone as far as bankers, but not as far as banks; and now give me a reason for the difference. Give me a reason why the act of 1798, the bill of Mr. Sergeant, in 1821, and the bill of General Hayne, in 1827, should not include banks as well as bankers. They both perform the same function—that of issuing paper currency. They both involve the same mischief when they stop payment—that of afflicting the country with a circulation of irredeemable and depreciated paper money. They are both culpaple in the same mode, and in the same degree; for they are both violaters of their "promises to pay." They both exact a general credit from the community, and they both abuse that credit. They both have creditors, and they both have effects; and these creditors have as much right to a *pro rata* distribution of the effects in one case as in the other. Why, then, a distinction in favor of the bank? Is it because corporate bodies are superior to natural bodies? because artificial beings are superior to natural beings? or, rather, is it not because corporations are assemblages of men, and assemblages are more powerful than single men; and, therefore, these corporations, in addition to all their vast privileges, are also to have the privilege of being bankrupt, and afflicting the country with the evils of bankruptcy, without themselves being subjected to the laws of bankruptcy? Be this as it may—be the cause what it will—the decree has gone forth for the decision of the question—for the trial of the issue—for the verdict and judgment upon the claim of the banks. They have many privileges and exemptions now, and they have the benefit of all laws against the community. They pay no taxes; the property of the stockholders is not liable for their debts; they sue their debtors, sell their property, and put their bodies in jail. They have the privilege of stamping paper money; the privilege of taking interest upon double, treble, and quadruple their actual money. They put up and put down the price of property, labor, and produce, as they please. They have the monopoly of making the actual currency. They are strong enough to suppress the constitutional money, and to force their own paper upon the community, and then to redeem it or not as they please. And is it to be tolerated, that, in addition to all these privileges, and all these powers, they are to be exempted from the law of bankruptcy! the only law of which they are afraid, and the only one which can protect the country against their insolvent issues, and give a fair chance for payment to the numerous holders of their violated "promises to pay!"

I have discussed, Mr. President, the right of Congress to apply a bankrupt law to banking corporations; I have discussed it on the words of our own constitution, on the practice of England, and on the general authority of Parliament, and on each and every ground, as I fully believe, vindicated our right to pass the law. The right is clear; the expediency is manifest and glaring. Of all the objects upon the earth, banks of circulation are the fittest subjects of bankrupt laws. They act in secret, and they exact a general credit. Nobody knows their means, yet every body must trust them. They send their "promises to pay" far and near. They push them into every body's hands; they make them small to go into small hands—into the hands of the laborer, the widow, the helpless, the ignorant. Suddenly the bank stops payment; all these helpless holders of their notes are without pay, and without remedy. A few on the spot get a little; those at a distance get nothing. For each to sue, is a vexatious and a losing business. The only adequate remedy—the only one that promises any justice to the body of the community, and the helpless holders of small notes—is the bankrupt remedy of assignees to distribute the effects. This makes the real effects available. When a bank stops, it has little or no specie, but it has, or ought to have, a good mass of solvent debts. At present, all these debts are unavailable to the community—they go to a few large and favored creditors; and those who are most in need get nothing. But a stronger view remains to be taken of these debts: the mass of them are due from the owners and managers of the banks—from the presidents, directors, cashiers, stockholders, attorneys; and these people do not make themselves pay. They do not sue themselves, nor protest themselves. They sue and protest others, and sell out their property, and put their bodies in jail; but, as for

themselves, who are the main debtors, it is another affair! They take their time, and usually wait till the notes are heavily depreciated, and then square off with a few cents in the dollar! A commission of bankruptcy is the remedy for this evil; assignees of the effects of the bank, are the persons to make these owners, and managers, and chief debtors to the institutions, pay up. Under the bankrupt law, every holder of a note, no matter how small in amount, nor how distant the holder may reside, on forwarding the note to the assignees, will receive his ratable proportion of the bank's effects, without expense, and without trouble to himself. It is a most potent, a most proper, and most constitutional remedy against delinquent banks. It is an equitable and a brave remedy. It does honor to the President who recommended it, and is worthy of the successor of Jackson.

Senators upon this floor have ventured the expression of an opinion that there can be no resumption of specie payments in this country until a national bank shall be established, meaning, all the while, until the present miscalled Bank of the United States shall be rechartered. Such an opinion is humiliating to this Government, and a reproach upon the memory of its founders. It is tantamount to a declaration that the Government, framed by the heroes and sages of the Revolution, is incapable of self-preservation; that it is a miserable image of imbecility, and must take refuge in the embraces of a moneyed corporation to enable it to survive its infirmities. The humiliation of such a thought should expel it from the imagination of every patriotic mind. Nothing but a dire necessity—a last, a sole, an only alternative—should bring this Government to the thought of leaning upon any extraneous aid. But here is no necessity, no reason, no pretext, no excuse, no apology, for resorting to collateral aid, and, above all, to the aid of a master in the shape of a national bank. The granted powers of the Government are adequate to the coercion of all the banks. As banks, the Federal Government has no direct authority over them; but as bankrupts, it has them in its own hands. It can pass bankrupt laws for these delinquent institutions. It can pass such laws either with or without including merchants and traders; and the day for such law to take effect, will be the day for the resumption of specie payments by every solvent bank, and the day for the extinction of the abused privileges of every insolvent one. So far from requiring the impotent aid of the miscalled Bank of the United States to effect a resumption, that institution will be unable to prevent a resumption. Its veto power over other banks will cease; and it will itself be compelled to resume specie payment, or die!

Senators have referred to this bank as the regulator of paper currency and of exchanges. Events have shown that it has no power upon these points but to make bad worse; to ruin paper currency by expansions, and by exporting specie; and to derange exchanges by flying kite-bills across the continent and over the high seas. This is what experience has shown; but the whole conception is an afterthought! It is an *ex post facto* conception. Look to General Hamilton's reasons for the establishment of a national bank in 1791; look to all the debates of Congress at the charter of the first bank; you will not find one word upon the subject of regulating currency and exchanges. These modern conceptions, now so hackneyed in the use, and so flippantly discoursed on, and so conspicuous in the political debates of the haberdasher's shops, were unknown to the authors of the first bank! It was not until that institution, and still more its successor, had ruined currency and deranged exchanges, that these new-fangled reasons were thought of. It was only after it had done the mischief that the destroyer was appealed to as a regulator; an appeal which can only be entertained on the principle of the proverb, that the hair of the dog is good for the bite. On that principle I could go for the appeal myself; for the meaning of the proverb is, not what is superficially believed by some, that you are to pull a few hairs out of the dog's back, and lay them on the bitten part, but that you must take all his hair, kill him, and skin him, and sell his hide to the tanner, and then he will never bite you again. In this sense of the appeal, I should be willing to have recourse to the Bank of the United States to cure the mischiefs of which it is the author.

Senators have demanded, somewhat in the tone of victory and exultation, where is this gold currency of which the promise was held out three years ago? They have put this question with an air of triumph? Has it not occurred to these Senators to extend the inquiry to the silver currency, and to the copper currency also? The same answer will meet the whole inquiry; and that answer is this: That the edict of the bank oligarchy has suppressed it! suppressed it since May last! suppressed it in that memorable act of suspension which was celebrated as a political victory over the Government of the country, and hailed as the restoration of the bank and of the federal dynasty to power. That edict suppressed all hard money—suppressed it—gold, silver, and copper, and breathed into existence that pestilential compound of lampblack and rags, yclept shinplasters, which now infests the land. Yes, sir, the oligarchy of banks, the present masters of our America, suppressed the gold, and the silver, and the copper; and they will suppress it again, and again, and as often as it suits their politics, or their purses, to do so, until this bankrupt law is passed, or until ruin provokes remedy.

Besides these great objects to be attained by the application of a bankrupt law to banking corporations, there are other great purposes to be accomplished, and some most sacred duties to be fulfilled, by the same means. Our constitution contains three most vital prohibitions, of which the Federal Government is the guardian and the guaranty, and which are now publicly trodden under foot. No State shall emit bills of credit; no State shall make any thing but gold and silver coin a tender in payment of debts; no State shall pass any law impairing the obligation of contracts. No State shall do these things. So says the constitution under which we live, and which it is the duty of every citizen to protect, preserve, and defend. But a new power has sprung up among us, and has annulled the whole of these prohibitions. That new power is the oligarchy of banks. It has filled the whole land with bills of credit; for it is admitted on all hands that bank notes, not convertible into specie are bills of credit. It has suppressed the constitutional currency, and made depreciated paper money a forced tender in payment of every debt. It has violated all its own contracts, and compelled all individuals, and the Federal Government and State Governments, to violate theirs, and has obtained from sovereign States an express sanction, or a silent acquiescence, in this double violation of sacred obligations, and in this triple annulment of constitutional prohibitions. It is our duty to bring, or to try to bring, this new power under subordination to the laws and the Government. It is our duty to go to the succor of the constitution—to rescue, if possible, these prohibitions from daily, and public, and permanent infraction. The application of the bankrupt law to this new power, is the way to effect this rescue—the way to cause these vital prohibitions to be respected and observed, and to do it in a way to prevent collisions between the States and the Federal Government. The prohibitions are upon the States; it is they who are not to do these things, and, of course, are not to authorize others to do what they cannot do themselves. The banks are their delegates in this three-fold violation of the constitution; and, in proceeding against these delegates, we avoid collision with the States.

Mr. President, every form of government has something in it to excite the pride, and to rouse the devotion, of its

citizens. In monarchies, it is the authority of the King; in republics, it is the sanctity of the laws. The loyal subject makes it the point of honor to obey the king; the patriot republican makes it his glory to obey the laws. We are a republic. We have had illustrous citizens, conquering generals, and victorious armies; but no citizen, no general, no army, has undertaken to dethrone the laws and to reign in their stead. This parricidal work has been reserved for an oligarchy of banks! Three times, in thrice seven years, this oligarchy has dethroned the law, and reigned in its place. Since May last, it has held the sovereign sway, and has not yet vouchsafed to indicate the day of its voluntary abdication The Roman military dictators usually fixed a term to their dictatorships. I speak of the usurpers, not of the constitutional dictators for ten days. These usurpers usually indicated a time at which usurpation should cease, and law and order again prevail. Not so with this new power which now lords it over our America. They fix no day; they limit no time; they indicate no period for their voluntary descent from power, and for their voluntary return to submission to the laws. They could agree in the twinkling of an eye—at the drop of a hat—at the crook of a finger—to usurp the sovereign power; they cannot agree, in four months, to relinquish it. They profess to be willing, but cannot agree upon the time. Let us perform that service for them. Let us name a day. Let us fix it in a bankrupt law. Let us pass that law, and fix a day for it to take effect; and that day will be the day for the resumption of specie payments, or for the trial of the question of permanent supremacy between the oligarchy of banks, and the constitutional Government of the people.

We are called upon to have mercy upon the banks; the prayer should rather be to them, to have mercy upon the Government and the people. Since May last the ex-deposite banks alone have forced twenty-five millions of depreciated paper through the Federal Government upon its debtors and the States, at a loss of at least two and a half millions to the receivers, and a gain of an equal amount to the payers. The thousand banks have the country and the Government under their feet at this moment, owing to the community upwards of an hundred millions of dollars, of which they will pay nothing, n t even ninepences, picayunes, and coppers. Metaphorically, if not literally, they give their creditors more kicks than coppers. It is for them to have mercy on us. But what is the conduct of Government towards these banks? Even at this session, with all their past conduct unatoned for, we have passed a relief bill for their benefit—a bill to defer the collection of the large balance which they still owe the Government. But there is mercy due in another quarter—upon the people, suffering from the use of irredeemable and depreciated paper—upon the Government, reduced to bankruptcy—upon the character of the country, suffering in the eyes of Europe—upon the character of republican government, brought into question by the successful usurpation of these institutions. This last point is the sorest. Gentlemen speak of the failure of experiments—the failure of the specie experiment, as it is called by those who believe that paper is the ancient and universal money of the world; and that the use of a little specie for the first time is now to be attempted. They dwell upon the supposed failure of "the experiment;" while all the monarchists of Europe are rejoicing in the failure of the experiment of republican government, at seeing this Government, the last hope of the liberal world, struck and paralyzed by an oligarchy of banks—seized by the throat, throttled and held as a tiger would hold a babe—stripped of its revenues, bankrupted, and subjected to the degradation of becoming their engine to force their depreciated paper upon helpless creditors. Here is the place for mercy—upon the people—upon the Government—upon the character of the country—upon the character of republican Government.

The apostle of republicanism, Mr. Jefferson, has left it as a political legacy to the people of the United States, never to suffer their Government to fall under the control of any unauthorized, irresponsible, or self-created institutions or bodies whatsoever. His allusion was to the Bank of the United States, and its notorious machinations to govern the elections, and get command of the Government; but his admonition applies with equal force to all other similar or affiliated institutions; and, since May last, it applies to the whole league of banks which then "shut up the Treasury," and reduced the Government to helpless dependence.

It is said that bankruptcy is a severe remedy to apply to banks. It may be answered that it is not more severe here than in England, where it applies to all banks of issue, except the Bank of England, and a few others; and it is not more severe to them than it is to merchants and traders, and to bankers and brokers, and all unincorporated banks. Personally, I was disposed to make large allowances for the conduct of the banks. Our own improvidence tempted them into an expansion of near forty millions, in 1835 and 1836, by giving them the national domain to bank upon; a temptation which they had not fortitude to resist, and which expanded them to near the bursting point. Then they were driven almost to a choice of bankruptcy between themselves and their debtors, by the act which required near forty millions to be distributed in masses, and at brief intervals, among the States. Some failures were inevitable under these circumstances, and I was disposed to make liberal allowances for them; but there are three things for which the banks have no excuse, and which should forever weigh against their claims to favor and confidence. These things are, first, the political aspect which the general suspension of payment was permitted to assume, and which it still wears; secondly, the issue and use of shinplasters, and refusal to pay silver change, when there are eighty millions of specie in the country; thirdly, the refusal, by the deposite banks to pay out the sums which had been severed from the Treasury, and stood in the names of disbursing officers, and was actually due to those who were performing work and labor, and rendering daily services to the Government. For these three things there is no excuse; and, while memory retains their recollection, there can be no confidence in those who have done them.

The Committee on the Judiciary, to whom was referred the consideration of the President's recommendation for a banbrupt law against banking institutions, have deferred their report, and moved to be discharged. I shall make no objection to the discharge, as legislation on this subject can be delayed, without material prejudice to any interest, until the regular session. I shall look for a bill then, either with or without the inclusion of other classes; and shall consider the decision upon that bill as settling the question of the rights of the people, and the supremacy of their Government, on one hand, and of the pretensions of the banks, and their permanent supremacy over laws, Governments, constitutions, and the people, on the other.

Mr. CRITTENDEN replied to Mr. Benton, arguing against the constitutionality and policy of the proposed partial bankrupt law, and commenting on the nature and causes of the present distressed condition of the country.

The motion to discharge the committee, of course, lies over one day.

The following bills were read a third time, passed, and sent to the other House:

The bill to authorize the deposite of merchandise in the public stores, and for other purposes.

The bill to prohibit, by severe penalties, the issue and circulation of all notes in this District under five dollars; (changed in its title, on motion of Mr. Wright, to "An act to regulate the currency in the District of Columbia.")

And the bill to surrender certain copy-rights (mentioned in yesterday's proceedings) to Mrs. Madison.

On motion of Mr. SMITH, of Indiana, the Senate held an executive session, and then adjourned.

FRIDAY, OCTOBER 13.

PRESIDENT OF THE SENATE PRO TEM.

The VICE PRESIDENT having, at the close of yesterday's sitting, stated to the Senate that he should not resume the chair during the present session,

The Senate proceeded to the election, by ballot, of a President pro tem.

Mr. KING, of Alabama, having received nearly all the votes which were given, was declared duly elected President of the Senate *pro tem.*

Mr. KING, on taking the chair, briefly returned his thanks to the Senate for the distinguished honor conferred upon him. It had often been his fortune to be elected by the voice of the people to distinguished offices, but this election conferred more honor, as coming from so elevated a body. The favor of the people was often obtained without merit, and as often lost without fault. Not so was it with this high evidence of the approbation of the Senate, for which he returned his thanks. It should be his aim and endeavor to discharge the duties imposed upon him in a manner satisfactory to the Senate, and with perfect impartiality to every Senator.

EXTRA PAY TO OFFICERS OF THE SENATE.

Mr. McKEAN reported a resolution from the Committee on the Contingent Expenses, allowing two months' extra pay to the various officers of the Senate for the present extra session; which was ordered to a second reading.

Mr. WALL suggested that the officers of the library should be included.

Mr. McKEAN said that the committee had proposed to defer that point to the next session.

Mr. SEVIER wished to hear further reasons for this resolution.

Mr. McKEAN explained, and the resolution was then ordered to a third reading.

LAW OF BANKRUPTCY.

The Senate resumed the consideration of the motion of Mr. GRUNDY to discharge the Judiciary Committee from the further consideration of that part of the President's message relating to a bankrupt law.

Mr. SOUTHARD rose and spoke about an hour, with much earnestness, against the Executive recommendation, and against the constitutionality and expediency of any bankrupt law, except in relation to merchants and traders, and for the exclusive purpose of preventing fraud, and an inequitable distribution of the property of bankrupts; dwelling at times on the present condition of the country, the causes which led to it, and the prospective designs of the administration.

Mr. S. having concluded his remarks,

The question was put on discharging the committee, and was agreed to.

On motion of Mr. WHITE,

The Senate proceeded to the consideration of Executive business, and then adjourned.

SATURDAY, OCTOBER 14.

CREDIT ON REVENUE BONDS.

On motion of Mr. WRIGHT, the Senate concurred in the amendment of the House to the bill for the further postponement of payment on merchants' revenue bonds.

On motion of Mr. YOUNG, (the CHAIR having announced that there was no business on the table,) the Senate spent some time in Executive session.

On motion of Mr. WALKER, the joint rules prohibiting bills from passing between the two Houses were suspended.

The Senate then took a recess until 4 o'clock.

EVENING SESSION.

Mr. RIVES, (on some inquires made by Mr. HUBBARD,) moved that the Committee on Naval Affairs be discharged from the further consideration of the petitions of Lieutenants John C. Long and Ebenezer Ridgeway, of the U. S. navy, asking to be restored to their proper relative rank. This motion was made on the ground that the subject was excluded by the general rule restricting the business of the session; and that it would interfere with nominations made or about to be made.

On motion of Mr. HUBBARD, this motion was laid on the table, on which, of course, the above petitions remain for the next session.

GALES AND SEATON'S STATE PAPERS.

Mr. WALL submitted the following resolution:

Resolved, That the members of the Senate who have not received a copy of the American State Papers, printed by Gales and Seaton, be supplied with the same.

Mr. NORVELL moved to amend the resolution by adding after the words "State Papers," "and the Register of Debates."

Mr. WRIGHT said, while he had no objection to the original resolution, (the papers in question not being under the control of the publishers,) he would feel himself bound to object if the amendment was urged on the consideration of the Senate.

Mr. LYNN thought the resolution ought to pass. He was clear that all the members of the Senate should be placed on the same equitable footing, and saw no reasons why those who had received these books, should fare better in that respect than other Senators.

Mr. RIVES agreed that there ought to be no discrimination; but he thought, when the present edition of these papers should have been exhausted, it would be time to stop.

Mr. WRIGHT said he had received many books since his entrance into the Senate. They had been sent to him always without his consent; and he ever had been, and still was, opposed to the practice.

Mr. CLAY, of Alabama, concurred entirely with the views of the Senator from New York [Mr. WRIGHT] in regard to the motion. He thought the proceeding objectionable in the extreme, and ought not to be encouraged, and he hoped the Senate would persevere in rejecting it. He had, it was true, also received books, but without his vote; for he had never given his consent for an appropriation of the kind. As the State Papers were not within the control of the publishers, he would not oppose the resolution as originally introduced; but if the Register of Debates were added, which were within the control of the publishers, he would most unquestionably protest against it.

The amendments being withdrawn, the original resolution was, by unanimous consent, read three several times and passed.

On motion of Mr. HUBBARD, it was resolved that the Senate take a recess until half past seven o'clock.

HALF-PAST SEVEN O'CLOCK.

A message was received from the President, announcing the signature of the bill for the relief of Mrs. D. P. Madison.

On motion of Mr. NORVELL, the Senate next went into Executive business, and after a few moments spent therein, the doors were re-opened.

A message was received from the House of Representatives, announcing the passage of the joint resolution to suspend the joint rules 16 and 17, with an amendment. These rules relate to the passing of bills and the signature of the President within the last three days of the session—the

amendment of the House of Representatives was to exclude bill No. 6, in relation to the sub-Treasury system; which was concurred in by the Senate.

GENERAL APPROPRIATION BILL.

The bill making further (general) appropriations for the year 1837, was received from the House carried through its various stages, by general consent, amended on recommendation of committee, by inserting $25,000 for printing Senate documents, and not more than $2,000 for the office of the Solicitor of the Treasury; also amended from committee, by adding a fourth section, authorizing the Secretary of the Treasury to receive at par, for debts due the United States, the outstanding unpaid drafts in favor of the State Governments which had been issued by the Treasury under the deposite law; and the bill, so amended, was passed and sent back to the House.

The bill, originated in the House, (in the precise words of the Senate bill which the House retained,) making additional appropriations for the suppression of Indian hostilities for 1837, was received, and read a first time.

Mr. WEBSTER objected to this bill on the ground that the proceedings in relation to it were improper and unparliamentary, as the House had given no account of the Senate bill on their table, an exact counterpart of this, which it was in the power of the House to pass also, if they thought proper, and thus double the appropriation designed by the Senate to be made for this object.

A conversation ensued by Messrs. WEBSTER, BUCHANAN, NORVELL, CLAY, of Alabama, and WHITE; on which Mr. Webster waived his objection in this case alone, and the bill then progressed, and passed by general consent.

SUPPRESSION OF INDIAN HOSTILITIES.

A message was received from the House of Representatives announcing the passage of a bill making appropriations for the suppression of Indian hostilities in Florida.

On the first reading of the bill,

Mr. WRIGHT pledged himself that it was a literal copy of the bill introduced by the Senate; and hoped, therefore, it would be read a second and third time, by unanimous consent, and passed.

Mr. WEBSTER thought the proceeding very extraordinary, and, he would say, unparliamentary. A fornight ago the Senate passed a bill to the same effect, and sent it to the House. Nothing is heard of that bill; and now, at a late hour of the night, and that the last of the session, we have a bill sent for approval. It was to his mind, to say the least, a very extraordinary business, and one which ought not to meet the sanction of the Senate. Suppose the other bill was passed by the House, did not gentlemen see what such irregularity might subject them to?

Mr. CLAY, of Alabama, was glad to hear the remark of the gentleman; he understood we had been taken to task in the House for usurping their prerogative in originating these bills; that relating to the time of fixing the adjournment, was made the subject of particular remark. At this time, and on this subject, he was not disposed, however, to be ceremonious. He wished the bill passed at once; Florida had been bleeding at every pore for the last two years; we received news of her distress through every channel of information; and he therefore hoped the bill would be permitted to pass. He thought the objections should have been urged before.

Mr. BUCHANAN said he was not disposed at this time of night, and with the present thin state of the Senate, to stand upon its dignity; if he did, in his opinion, the business would be poorly attended to.

Mr. NORVELL read the joint resolution in which the 16th and 17th rules of the Senate had been dispensed with, for which the Senator from Massachusetts had voted, and now how could he oppose the bill on the ground of the objection urged by him.

Mr. WEBSTER saw no analogy, no connexion, real or imaginary, between the cases cited by the Senator last up. The gentleman from Pennsylvania [Mr. Buchanan] said he was not disposed to stand upon the dignity of the Senate; but it was not a matter of dignity at all, but of regularity of business; and he was sure gentlemen, when they came to look into the matter, would agree with him, that it would be better to go back to the ancient usage, and let the different Houses keep each other informed of their business. Mr. W. admitted that the bill before them was important, very important, and should not be delayed. Gentlemen might see, from the condition of things, how dangerous the present practice would be, if permitted to prevail. He, as an individual, might be the means of stopping a bill indispensable to the interests of the Government.

If, said Mr. W. we give up regulating, where shall we get to? He would not object now to the proceeding; but he gave notice, if he was present at the next session, under the same circumstances, he would feel it his duty to oppose all such proceedings.

Some further discussion took place, in which Messrs. BUCHANAN, WHITE, CLAY of Alabama, and LINN took part, acknowledging the general justice of the remark of the Senator, but urging with much zeal the passage of the bill.

The bill was then read a second and third time, by unanimous consent, and finally passed.

THE LATE DEPOSITE BANKS.

The bill providing for the adjustment of the remaining claims on the late deposite banks was received from the House with two amendments, extending the times of paying the three instalments from the banks from the end of four, six, and nine months, respectively, to July next, January, 1839, and July, 1839.

Mr. WRIGHT moved that the Senate concur in this amendment of the House.

Mr. SMITH, of Indiana, said he did not rise to make a speech at this late hour of the session, but to detain the Senate a single moment, while he read a letter he had received since he addressed the Senate, from the cashier of the State Bank of Indiana on this subject. It will be perceived (said Mr. S.) that the letter refers to the time allowed the banks by the bill as it came from the Committee on Finance of the Senate. The bill was amended while in this body; but still he thought the time allowed was not sufficient to enable the people to close this matter without producing too much distress. He hoped the amendment of the House giving longer time would be sustained by the Senate. He fully concurred with the writer of the letter, (who was well acquainted with the concerns of the banks,) that whatever might be the policy of the Government, so far as the banks were concerned, the question is one of relief to the people. The corporations cannot suffer, but the people can, and must, if the banks are pressed. Mr. S. said he wished to be clearly understood he did not stand here as the advocate of any bank, not even those in his own State, beyond the interest of the people; and the moment he became satisfied that their interest required the suspension of the corporate powers of those institutions, he would say, refuse to renew them; but he was satisfied that a course of policy requiring of the banks at this time to press their debtors, in self-defence, would be productive of the most destructive consequences to the citizens of his State. Mr. S. then read the following letter from James M. Ray, Esq. cashier of the State Bank of Indiana:

State Bank of Indiana,
Indianapolis, September 23, 1837.

Hon. O. H. Smith:

Dear Sir: To give you a full apprehension of the propriety of the terms in Mr. Wright's settlement bill of debts

of the deposite banks, I copy for you an extract of Mr. Woodbury's letter of instructions on being appointed a deposite bank.

"TREASURY DEPARTMENT, *Jan.* 29, 1835.

"SAMUEL MERRILL, Esq., *President, &c.:*

"In selecting your institution as one of the fiscal agents of the Government, I not only rely on its solidity as affording a sufficient guaranty for the safety of the public money intrusted to its keeping, but I confide also in its disposition to adopt the most liberal course which circumstances will admit towards other institutions. The deposites of the public money will enable you to afford increased facilities to the commercial and other classes of the community; and the Department anticipates from you the adoption of such a course respecting your accommodations as will prove acceptable to the people and safe to the Government.

"I remain, very respectfully, your obedient servant,

"LEVI WOODBURY, *Sec. Trea'y.*"

We have done so; we have accommodated the public, and are paying two per cent. to the United States, for the means of doing the same; and are paying the pensioners at ten different places of payment in the State, &c., without charge. And now, as far as lies in the power of Congress, it would seem, we are to be crushed unless we screw out of the community, during these times, about $700,000 deposite money loaned out, and pay the same up in two, five, and eight months; and that I suppose in specie. It is plain, if such a settlement is required, that the interests and the rigidly extreme interests of the United States Government are only regarded, while the interests of the people of the State of Indiana, in half of our bank stock indirectly, are left to the winds.

Our banks can stand any thing that any bank can stand; but the prospect is that we will be all left so prostrated on such terms, that we cannot lift a finger to furnish means of conveying out a surplus produce, or add any thing to the facilities of the people.

If we lose the fourth instalment, and have such terms of settlement required of us, the people of this State must inevitably suffer severely. There is no possible remedy. The means of paying, as well as the most of the means of resuming specie payments, must come from them; and you may well apprehend that they are not well prepared to meet such calls. Yours, truly, JAMES M. RAY.

Mr. SMITH said he did not intend to trouble the Senate but a moment, in additional remarks, whatever justification he might find in the remarks of the Senator from Missouri, against the banks of his State; he was satisfied that these banks were entirely solvent and good, and should at least have been exempt from the indiscriminate denunciation of that Senator. The people of the State have full confidence that the banks will finally redeem every dollar of their paper, and he had no doubt that such would be the case; time, however, was required to enable the people who were indebted to the banks to pay up. The money due the Government is safe, and the time is a relief measure for the benefit of the people, and he hoped it would be granted by the Senate.

Mr. BUCHANAN did not know that he would support the amendments of the House. The banks had the money of the Government, and were to be ready, at all times when called on, to return it. And now we were asked to extend the time still further for their indulgence. Mr. B. also found fault with the wording of the bill, as not being sufficiently comprehensive in relation to the time when the interest should commence to be paid by those banks.

Mr. WRIGHT thought the wording of the bill sufficiently clear, and read the first section to show the meaning and spirit of the act.

Mr. CLAY, of Alabama, thought it best to concur with the House in extending the time for the banks, and that the indulgence given in the bill would be the best relief to the people, and urged its immediate concurrence.

Some further discussion took place on the suggestions of Mr. BUCHANAN, as to the meaning of time of default, in which he was opposed by Messrs. WALKER, WRIGHT, CLAY, of Alabama, and others.

Mr. WEBSTER then suggested an admendment, to be appended to the end of the bill in this shape:

"And the default mentioned in this act, on which interest is to commence at the rate of six per cent. per annum, shall be understood to be the neglect or omission of said banks to answer drafts made on them, according to the provisions of the first section."

Mr. CLAY, of Alabama, called for a division on the question of this amendment, and there appeared: Ayes 6, noes 12, (no quorum;) and the Sergeant-at-Arms was directed to look for absent members.

After further conversation by the same gentlemen, the Senate adopted the amendment of Mr. WEBSTER, and concurred in the amendment of the House, so amended, and the bill was returned to the House.

APPROPRIATION BILL.

The bill making additional appropriations for 1837 was received from the House, who had concurred in the $25,000 for printing Senate documents; non-concurred in the $2,000 for the office of the Solicitor of the Treasury; and concurred in the reception of the State deposite transfer drafts, (by the Treasury,) with a verbal amendment by the House.

On motion of Mr. WRIGHT, the Senate receded from their above second amendment to this bill, and concurred in the verbal amendment of the House to the above third amendment of the Senate.

On motion of Mr. CLAY, of Alabama, the Senate (at half-past one o'clock, and after the adjournment of the House) adjourned, to meet at half past eight o'clock on Monday morning.

MONDAY, OCTOBER 16.

The Senate met at 8½ o'clock, A. M.

A message was received from the House of Representatives, informing the Senate that the House had concurred in the amendments to the bill to settle with the deposite banks.

On motion of Mr. NORVELL, it was

Ordered, That a committee from the Senate be appointed to join a committee from the House to inform the President of the United States that the two Houses had completed the business before them, and were ready to adjourn.

Whereupon, Messrs. GRUNDY, CLAY, of Alabama, and NORVELL, were appointed said committee on the part of the Senate.

Mr. KENT offered a resolution granting to the Chaplain of the Senate the same compensation for this extra session as the House had voted to its Chaplain.

After some conversation, in which several Senators gave it as their opinion that the compensation previously allowed was liberal enough, (viz. $300,) the resolution was adopted.

On motion of Mr. CLAY, of Alabama, the Secretary of the Senate was ordered to inform the House that the Senate, having finished the business before it, was now ready to adjourn.

Mr. NORVELL, from the joint committee appointed to wait upon the President of the United States, informed the Senate that said committee, having waited upon the President, had been informed by him that he had no further communication to make the two Houses, and that the President wished the members, individually and collectively, health and prosperity.

A message was received from the House of Representatives by Mr. FRANKLIN, their clerk, that the House was ready to adjourn.

Whereupon, on motion of Mr. NILES, the Senate adjourned *sine die.*

DEBATES

IN

THE HOUSE OF REPRESENTATIVES.

LIST OF MEMBERS

Of the House of Representatives, twenty-fifth Congress, first session.

MAINE—George Evans, John Fairfield, Timothy J. Carter, F. O. J. Smith, Thomas Davee, Jonathan Cilley, Joseph C. Noyes, Hugh J. Anderson—8.

NEW HAMPSHIRE—Samuel Cushman, James Farrington, Charles J. Atherton, Joseph Weeks, Jared W. Williams—5.

MASSACHUSETTS—Richard Fletcher, Stephen C. Phillips, Caleb Cushing, William Parmenter, Levi Lincoln, George Grennell, George N. Briggs, William B. Calhoun, Nathaniel B. Borden, John Q. Adams, John Reed, William S. Hastings—12.

RHODE ISLAND—J. L. Tillinghast, Robert B. Cranston—2.

CONNECTICUT—Isaac Toucey, Samuel Ingham, Elisha Haley, Thomas T. Whittlesey, Launcelot Phelps, Orin Holt—6.

VERMONT—Hiland Hall, William Slade, Heman Allen, Isaac Fletcher, Horace Everett—5.

NEW YORK—Thomas B. Jackson, Abraham Vanderveer, C. C. Cambreleng, Ely Moore, Edward Curtis, Ogden Hoffman, Governeur Kemble, Obadiah Titus, Nathaniel Jones, John C. Brodhead, Zadock Pratt, Robert M'Clellan, Henry Vail, Albert Gallup, John I. De Graff, David Russell, John Palmer, James B. Spencer, John Edwards, Arphaxad Loomis, Henry A. Foster, Abraham P. Grant, Isaac H. Bronson, John H. Prentiss, Amasa J. Parker, John C. Clark, Andrew D. W. Bruyn, Hiram Gray, William Taylor, Bennett Bicknell, Wm. H. Noble, Samuel Birdsall, Mark H. Sibley, John T. Andrews, Timothy Childs, Wm. Patterson, Luther C. Peck, Richard P. Marvin, Millard Fillmore, Charles P. Mitchell—40.

NEW JERSEY—John B. Aycrigg, John P. B. Maxwell, William Halsted, Joseph F. Randolph, Charles C. Stratton, Thomas Jones Yorke—6.

PENNSYLVANIA—Lemuel Painter, John Sergeant, George W. Toland, Charles Naylor, Edward Davies, David Potts, jr., Edward Darlington, Jacob Fry, jr., Matthias Morris, David D. Wagener, Edward B. Hubley, Henry A. Muhlenberg, Luther Reily, Henry Logan, Dan. Sheffer, Charles M'Clure, Wm. W. Potter, David Petrikin, Robert H. Hammond, Samuel W. Morris, Charles Ogle, John Klingensmith, Andrew Buchanan, T. M. T. McKennan, Richard Biddle, Wm. Beatty, Thomas Henry, Arnold Plumer—28.

DELAWARE—John J. Milligan—1.

MARYLAND—John Dennis, James A. Pearce, J. T. H. Worthington, Benjamin C. Howard, Isaac McKim, Wm. C. Johnson, Francis Thomas, Daniel Jenifer—8.

VIRGINIA—Henry A. Wise, Francis Mallory, John Robertson, Charles F. Mercer, John Taliaferro, R. M. T. Hunter, James Garland, Francis E. Rives, Walter Coles, George C. Dromgoole, James W. Bouldin, John M. Patton, James M. Mason, Isaac S. Pennybacker, Andrew Beirne, Archibald Stuart, John W. Jones, Robert Craig, George W. Hopkins, Joseph Johnson, Wm. S. Morgan—21.

NORTH CAROLINA—Jesse A. Bynum, Edward D. Stanley, Charles Shepard, James McKay, M. T. Hawkins, Edmund Debarry, Wm. Montgomery, Aug. H. Shepperd, Abraham Rencher, Henry Connor, James Graham, Lewis Williams, Samuel T. Sawyer—13.

SOUTH CAROLINA—H. S. Legare, Waddy Thompson, John K. Griffin, R. Barnwell Rhett, Francis W. Pickens, W. K. Clowney, F. H. Elmore, John Campbell, John P. Richardson—9.

GEORGIA—Thomas Glascock, J. F. Cleveland, Seaton Grantland, Charles E. Haynes, Hopkins Holsey, Jabez Jackson, George W. Owens, Geo. W. B. Townes, W. C. Dawson—9.

MISSISSIPPI—John F. H. Claiborne, S. J. Gholson—2.

KENTUCKY—John L. Murray, Edward Rumsey, J. R. Underwood, Sherrod Williams, James Harlan, John Calhoon, John Pope, Wm. J. Graves, John White, Richard Hawes, R. A. Menifee, John Chambers, W. W. Southgate—13.

TENNESSEE—Wm. B. Carter, A. McClellan, Jos. L. Williams, H. L. Turney, Wm. B. Campbell, John Bell, A. P. Maury, James K. Polk, Eben. J. Shields, Richard Cheatham, John W. Crockett, Christopher H. Williams, Wm. Stone—13.

OHIO—Alex. Duncan, Taylor Webster, Patrick G. Goode, Thomas Corwin, Thomas L. Hamer, Calvary Morris, Wm. Key Bond, J. Ridgway, John Chaney, Samson Mason, J. Alexander, jr., Alex. Harper, D. P. Leadbetter, Wm. H. Hunter, John W. Allen, Elisha Whittlesey, Andrew Loomis, Mathias Shipler, Daniel Kilgore—19.

LOUISIANA—Henry Johnson, Eleazar W. Ripley, Rice Garland—8.

INDIANA—Ratliff Boon, John Ewing, Wm. Graham, Geo. H. Dunn, Jas. Rariden, Wm. Herrod, Albert S. White—7.

ILLINOIS—A. W. Snyder, Zadoc Casey, William L. May—3.

ALABAMA—Dixon H. Dewis, Francis S. Lyon, Reuben Chapman, Joab Lawler, Joshua L. Martin—5.

MISSOURI—Albert G. Harrison, John Miller—2.

ARKANSAS—Archibald Yell—1.

MICHIGAN—Isaac E. Crary—1.

MONDAY, SEPTEMBER 4, 1837.

At twelve o'clock, the House of Representatives was called to order by Mr. FRANKLIN, the Clerk of the last Congress, who read the President's proclamation convening the present session of Congress. He then proceeded to call the names of the members from a roll made up by himself in the usual manner. When he had reached the name of CALEB CUSHING, of Massachussetts, that gentleman rose, and addressed the House.

Mr. CUSHING, rising from his seat, said that he was in his place; but before he answered officially to the call of the Clerk, he had an explanation to make. He saw gentlemen, occupying seats all around him in the hall of the House of Representatives, whom he understood, by common fame, to be members elect of the House; but he

did not know this, nor had he the means to ascertain it, by any authentic evidence. And the situation of most of the gentlemen present was the same. The gentlemen, so assembled, could not be considered as constituting a House, until they should have elected their Speaker, and been severally qualified by taking the prescribed oath. Meanwhile, under what regulations were these important duties to be performed? The usuage of the occasion has been for the Clerk of the preceding House to make out a roll of the members elect; to call the members from that roll, for the purpose of ascertaining whether a quorum be assembled; and to officiate as presiding officer in the choice of Speaker. Now it might be perfectly proper for the Clerk to be here with a roll of the members elect; since the standing rules of the House of Representatives provide that he shall be and continue Clerk until there be a new appointment; and he is the functionary on whom the task of preparing the roll should naturally devolve. But it was not proper that he should be compelled, as he in fact is, to rely upon the newspapers or common rumor for his knowledge of who is and who is not returned by the people of the several States to serve in this their House. Yet so it was, in regard to most of the States; for aught he (Mr. C.) knew, all, except, he believed, New York, and Pennsylvania. Nor was it proper that the Clerk should preside over the preliminary deliberations of this assembly.

He (Mr. C.) did not say this in any spirit of disrespect towards the gentleman who holds the office of Clerk, fully believing that he would endeavor to discharge, in all honor and good faith, the delicate functions of the occasion—functions imposed on him by the existing customs of the House. He spoke of it only as a thing, in the general principle, wrong. Suppose any question of order were to arise in the present stage of the proceedings. There was no set of rules binding on this assembly; and who should decide the question of order? Suppose a debate to spring up as to the mode of voting for Speaker, whether by ballot or *viva voce*, as happened in the twenty-fourth Congress. Suppose yet graver questions to be raised, concerning the due return of members, as happened in the opening of the twenty-third Congress. Ought not one of ourselves, one of our own number, to officiate as chairman of the assembly at such a time? He (Mr. C.) considered the present course most objectionable, and altogether irregular. In consideration of the particular circumstances under which the House now assembled, and the delicate relation of the respective parties, which divide the country and the members of the House, he should not at the present time make any motion relative to this matter, as, under other circumstances, he would feel it to be his duty to do. He contented himself with protesting, after this brief explanation of his motives, against the course now pursued, for the purpose of drawing the attention of gentlemen to the subject, in order that in due time hereafter measures may be taken to provide a more formal, regular, and becoming mode of organizing the House.

The CLERK then proceeded with the roll until the next names in order would be those of the delegates from Mississippi.

Before the names of Messrs. GHOLSON and CLAIBORNE were called,

Mr. MERCER rose, and addressed the Clerk and the House in some remarks which the Reporter regrets that his position did not enable him to hear so as to be able to report at large. The general purport of his remarks was understood to be this: that he considered it his duty, from certain statements which had appeared in the public prints, in reference to the recent Congressional election in Mississippi, to propound to the Representatives from that State an inquiry which would touch the right of those individuals to take their seats in the House. He referred to the proclamation of the Governor of the State, appointing an election to be held for the purpose of choosing members to serve in the twenty-fifth Congress, until they should be superseded by others to be chosen, in pursuance of the existing law, on the 1st Monday of November next; and asked if such had been the fact. He denied the right of the Governor of a State to appoint the time for such election, which was required by the constitution of the United States to be fixed, not by the Governor, but by the State Legislature, with the consent of Congress; and inferred that the election, thus unconstitutionally appointed to be held, was void, and, of course, the members then chosen could not be entitled to seats in the House.

Mr. GHOLSON, of Mississippi, declined entering into a discussion of the question until the House should have been organized. The Governor had obeyed the law of the State, which law was present, and would be produced at the proper time. Their election had been questioned by very few individuals in Mississippi, and never until after it was over, and the result known: the objections to its validity had arisen, not in that State, but elsewhere. Fifty-five out of fifty-six counties had voted under the Governor's proclamation, and the official returns would show the result. He had no objection that the question should be fully discussed at the proper time: not having the slightest desire to assume a seat in a body of which he was not constitutionally a member.

Mr. MERCER made a brief explanation, and adverted, as another reason for his having propounded the question, to the failure of his effort in the last Congress to procure an amendment of that branch of the rules relating to the subject of contested elections; and that, if they proceeded one stage further, and elected a Speaker, he would be unable to renew that motion with any probability of success. He also gave notice of another motion he designed to make, when it was in his power to do so, viz: to take the power of appointing committees from the Speaker, and vest it in the House, in pursuance of the long established usuage of that body from which they obtained nearly all their precedents, and the greater part of their rules, the British Parliament.

After some further remarks on this subject, Mr. M. expressed himself not satisfied by the statement of the gentleman from Mississippi, and he moved a resolution to the effect that sufficient evidence had not been offered to show that Messrs. CLAIBORNE and GHOLSON were entitled to their seats.

Mr. CLAIBORNE rose, he said, debilitated as he was, not to reply to the gentleman from Virginia, for he would not, at that time, suffer himself to be drawn into any argument upon that subject; but he rose to protest, in the name of the people of Mississippi, against a step which he denounced as high-handed, arbitrary, and unprecedented; for he deliberately asserted that the gentlemen from Virginia had no more right to question his title to a seat upon that floor, than he had to question the right of that gentleman or any other. He insisted that that was not an organized body until a Speaker had been elected. Until then, they had no existence whatever as a body, but were a mere association of individuals, claiming to represent the people of the respective States. His colleague and himself appeared there, and their appearance was *prima facie* evidence of their right to represent the people of the State whence they came. He repeated, that he would not reply to the gentleman from Virginia, or to any other gentleman who would endeavor, at the threshold, to exclude him from his rights. He came there to represent the people of his State, and had been sent there by the overwhelming voice of that people, expressed under the authority of the constitution and laws of the State, and under the authority of the Federal constitution also.

Although Mr. C. would not undertake to pronounce an eulogy upon the Governor of Mississippi, who was the

leader of the party to which he was opposed, yet he would say that that gentleman was a man of high character, and was incapable of doing what had been ascribed to him. Mr. C. looked upon it as an insult, not alone to the party that elected him and his colleague, but to all parties of the State, to the whole people of Mississippi, to venture thus to dispose of their rights before they had the power to do so. If, however, it was persisted in, he should feel himself compelled to challenge every member from Maine to Mississippi to produce their credentials, and he should object to any man's taking his seat there till he and his colleague obtained their rights. Mr. C. would throw out no imputations; but, if assailed, he would say he was prepared to carry the war into Africa. He was also prepared to say where this opposition originates, though it now came from a different quarter. He would say that no man had been more disposed to a conciliatory course than himself; but he would not be singled out as the victim there by a sort of political ostracism. If they wished to drive him from his seat, they should do it in the only way they had the power: by first organizing themselves, appointing their officers and committees, and, after sending the subject to the Committee of Elections, the verdict must be pronounced by the Representatives of the people. In conclusion, he declared he should, when the proper time arrived, go forward, and claim to be sworn as a Representative, entitled to a seat on that floor.

Mr. BYNUM, believing the measure unprecedented, moved to lay the resolution on the table.

Mr. MERCER contended that such a motion was out of order, as no rules had been adopted, and the House was not yet organized.

The CLERK stated that the same question had arisen on a similar motion last year, before the organization of the House, and it had been left with the members to decide. On that occasion the debate had proceeded.

Mr. MERCER resumed the floor, and continued further to support his motion. He was understood to disclaim any reflection on the Governor of Mississippi as having intentionally done wrong, but to attribute his course to a mistake in judgment. He utterly denied the existence of any wish, on his part, rudely to drive any gentleman out of the House, but insisted upon the necessity of respecting the injunctions of the constitution, under which he and other members claimed their seats. He referred to the practice of the Legislature of Virginia, where, he was understood to say, the credentials of members were produced before their names were admitted to the roll.

Mr. RHETT inquired who were to vote on the resolution which had been offered? How could the right of any individual to do so be ascertained? To remove this difficulty, he proposed that the senior member of the House take the chair until a speaker be chosen, and that the credentials of members be then produced.

Mr. BYNUM contended that the two gentlemen from Mississippi were entitled to take their seats and qualify; and that the motion submitted by the gentleman from Virginia was entirely unprecedented. In cases of contested elections, the member exhibiting to the House *prima facie* evidence of his election was permitted to take his seat and qualify. Then he considered the present case was much stronger than that of a contested election; because, in the present case, the right of the gentlemen to their seats was not contested in the usual manner. He hoped the House would proceed in its organization in the manner heretofore pursued, and according to parliamentary usage. Gentlemen had referred to the case of Moore and Letcher in support of their arguments. That case might, perhaps, be a case remotely in point; but he contended that the House ought then to have allowed Mr. Moore to take his seat when he presented his certificate of election. If the motion of the gentleman from Virginia [Mr. MERCER] was in order, his motion was also in order, and he hoped the question might now be put.

Mr. BOON said all voting in the present state of things was utterly premature, and all the speaking had been a mere waste of time. They might go on in this manner for a month, and come to no result. He therefore hoped the question might be immediately taken.

The CLERK stated the question to be on Mr. BYNUM's motion to lay the resolution on the table; and a division being called, tellers were appointed, and the vote stood—Ayes 131, noes not counted.

So Mr. MERCER's resolution was laid on the table.

Mr. RHETT then submitted a resolution that LEWIS WILLIAMS, of North Carolina, the oldest member of the House of Representatives, be appointed to serve as chairman until the House is organized.

Mr. HAMER believed that this was the first time that ever a motion had been made to appoint a chairman to organize the House; and, unless some special reason could be assigned why this resolution should be adopted, he must vote against it.

Mr. TOUCEY moved to lay the resolution on the table.

Mr. WISE supported Mr. RHETT's resolution, denying the right of the Clerk of the last Congress to act as chairman of this, or put any motion to the House. No one could have that right but one expressly chosen by those present to act as their chairman. No precedent or usage was of the least binding force.

Mr. WILLIAMS, of North Carolina, referred to the usage of the House ever since his acquaintance with it, and he believed from the very foundation of the Government. The House proceeded, on all occasions, in the same manner as to-day; and he saw no good reason for changing the practice. The House could as well act under the superintendence of the Clerk as of a chairman, and would gain no power or right by the change.

Mr. WISE said that the gentleman from North Carolina had alluded to the Clerk of the House in his remarks. Now, he contended that there was no clerk of the House of Representatives—the person now presiding being the Clerk of the last House, and that he had no authority to preside over this body. The rules, too, which had been alluded to, were the rules of the last House, and did not govern this body. He considered, then, taking this view of the question, that the only proper course to pursue would be to call a member of our own body to the chair, for the purpose of organizing the House.

Mr. PATTON said the whole difficulty arose from the utter impossibility that a body not yet organized should decide on the rights of individuals to a seat in it when organized. But this difficulty was inherent in the case. The appointment of a chairman would not alter it. It arose out of the nature of things. It might always happen that men would claim a seat, who, on examination, would be found to have no right to it; but no injury could arise from admitting them, because the House could always exclude them when evidence was obtained. And if such persons had decided the election of an officer, the House could remedy the evil by appointing another officer. There was the same difficulty in electing a chairman as a Speaker. Unauthorized persons might as easily vote in the one case as in the other.

Mr. ROBERTSON thought Mr. PATTON carried his principle to extremes. According to his doctrine, a House never could be organized. But if gentlemen consulted common sense, all difficulty would cease. If the body had a right to organize itself, it must, as an incidental right, have power to decide who was entitled to vote on its organization. A dozen men of one name might all claim the place of one; were they all to be admitted because their name was *prima facie* evidence of right to vote? Surely not; the body was not so powerless. Let those, of whose

right there was no reasonable doubt, pass on the claims of those whose right was doubtful.

Mr. PATTON here asked who was to decide whether there was reasonable doubt in any case or not?

Mr. ROBERTSON said that members might be admitted on their credentials. He hoped they would choose a chairman and let these be submitted. In the case of Letcher and Moore it was settled by agreement that neither should vote till a Speaker had been appointed; let the same thing be done in this case. As to these members from Mississippi, by their own showing, it was clear as light that they had no right to a seat. A member of Congress could be elected only for an entire term, and the Governor had no right to shorten the term. The election was void.

Mr. RHETT considered the members from Mississippi as well entitled to a seat as himself; he had no wish to exclude them; but there was a manifest impropriety in proceeding further without a chairman and without credentials. As to who was to judge of these credentials when produced, nothing was simpler; when the certificates were read, if nobody questioned them, the member took his seat at once; if any objection was raised, the member remained on one side till after the House was organized, and then his case was decided.

Mr. PATTON asked who was to judge whether the credentials were objectionable or not? The gentleman from Mississippi had declared his intention to object to every man's right; if he did, how was the question to be settled? Members must be received on their own claim; it was unavoidable.

Mr. REED, of Massachusetts, said it had been suggested that if it appeared that an officer had been elected by an illegal vote, the case might be remedied; now, as the vote was by ballot, how was the House to know by whose vote in particular such officer had been appointed?

Mr. WILLIAMS, of North Carolina, again insisted on universal usage as authorizing the Clerk to preside in forming the House; but, besides this common law, there was a statutory enactment. A rule of the House declared that that officer was to be considered as holding his place till another was appointed. (He read the rule.)

Mr. WISE denied the binding force of the rule; it did not bind this Congress at all till it had been adopted.

The debate was further continued by Mr. THOMAS, Mr. CUSHING, and Mr. McKAY, who referred to the journals of the first Congress.

Mr. THOMAS said that he coincided with the gentleman from Virginia [Mr. Wise] in one opinion he had expressed. He believed that the vote of the House to lay on the table the proposition of the gentleman over the way, [Mr. Mercer,] had decided nothing. He can renew his motion again. But why should not he extend this principle, and apply it to all other questions which may be mooted? Suppose this body had decided otherwise in the case just disposed of. Suppose a majority had refused to lay that motion on the table, and had proceeded to adopt the motion of the gentleman from Virginia, [Mr Mercer.] Such a decision would not have been respected. When the Clerk had reached the names of the members elect from Mississippi, one of them has already told you he will repair to the table to be sworn. And in this he is right. Who shall infringe the rights for which he contends? He is one of the chosen representatives of the people of Mississippi. He has with him a certificate of election, signed by the Governor of that State. He appears here with his colleague, with the same power to take his seat that we each have. And they have as much authority to question our right to be sworn as we have to dispute theirs. Convinced of this, I have not divided, and will not divide, on these preliminary questions. It is obvious that we are not governed by the rules which were adopted for the guidance of the last Congress. We are in a disoganized state, and it is in the power of a very few members to keep us in this condition for days, weeks, yea, months. The members of this body may discuss any and every question that the mind of man can conceive; and who shall call to order? who shall stay the tide? Who shall say to the wave of debate, "thus far shalt thou go, and no farther?" The public interests may suffer, the public business may be neglected, while we, the chosen representatives of the people, stand here idly chasing abstractions, which ought to be sent to that place described in Hudibras;

> "Where entity and quiddity,
> And ghosts of defunct bodies lie."

There is but one set of rules by which we can be governed. They must have their origin in the good sense and forbearance of this body, and their validity and binding force must be found, where alone they can be found, in the universal consent of the members present. In this way, every preceding Congress has been organized. The Clerk has called the roll, the members have elected their Speaker, and then each member elect, on presenting himself, has been qualified to take his seat. If this unvaried custom is now departed from, our difficulties will be interminable. If the certificates of election are called for, may it not be said they are forged? And who is prepared, in conformity with rigid rules of evidence, to prove the contrary? We have no committees to examine into the truth of any allegation; we have no officers to serve process, and compel the attendance of witnesses. Even the gentleman from North Carolina, if he should attempt to take the chair, may have, and doubtless will have, his right to do so contested. Is he prepared to meet every objection that may be urged? If he is, there are few members of this body as well provided.

Mr. T. insisted that no practical inconvenience could be produced by an adherence to former time-honored practice. Let us proceed to elect the officers of the House; let the usual Committee of Elections be appointed, and if, upon examination, it shall appear that members not duly authorized to participate in the election of our officers have voted, that will be good cause for annulling their elections; and notwithstanding we vote by ballot, a majority of the House can and will correct all irregularities, after we shall have winnowed the chaff from the wheat, by vacating such seats, if any ought to be vacated.

Mr. T. contended that the Kentucky contested election was not disposed of by the House in a manner to justify gentlemen in claiming that to be a precedent for the present movement. In that case, each of the parties (Mr. Moore and Mr. Letcher) presented papers purporting to be certificates of election. As to the character of those certificates the House did not then decide. Every member of that Congress must remember that the parties contending for the vacant seat, the House being then as it is now, waived their respective rights, and the House ratified this arrangement. We have, then, unbroken custom for our guide, and no injustice can be done to any portion of the American people by a strict adherence to this wholesome and convenient usage.

Mr. CUSHING said that, in the case of Moore and Letcher, both gentlemen claimed seats upon the floor. Mr. Moore having obtained the certificate of several of the sheriffs of his district, one having refused to make a return, based his claim to a seat on these certificates. Mr. Letcher claimed the seat, and based his claim upon the fact which showed that he had a majority of the votes of the district. In consequence of this state of the case, an agreement was made between Mr. Moore and Mr. Letcher, that they withdraw until the House was organized, and then lay the matter before the House. This was the true statement of the case, as every gentleman who was then present must recollect.

Mr. ROBERTSON then read an extract from the jour-

nal of that year, to show that the House, by general consent, agreed to pass by the name of Mr. Moore.

Mr. CUSHING replied that it might so appear on the journal; but, notwithstanding that, the agreement between the two gentlemen, which he had before alluded to, had been made on the floor of the House, and they voluntarily withdrew.

Mr. EVERETT, of Vermont, was very desirous the House should proceed in its organization. Gentlemen were in error in supposing that the House was under no law; there was a law which bound them, and that was the law of universal practice—the common law of Parliament. It was a mistake to suppose that the House was not organized until a Speaker was appointed; there was a preliminary organization which enabled it to act as a body. As to the list called by the Clerk, he formed it, according to usage, on what he deemed authentic information; he did so on his own responsibility. As soon as the list was completed, and the members had answered to their names, they formed an organized body, and might proceed to elect a Speaker, or a Clerk, or a Committee on Elections, just as they thought best; or might at once proceed to decide on the credentials of individuals. In the present case, before the list had been gone through, those whose names had not yet been called could have no right whatever to vote, any more than the surrounding spectators. All motions at present were therefore premature. He hoped the ancient usage would be permitted to continue; no evil could result from it; no advantage could be taken on either side. Should a Speaker be elected by unauthorized votes, the evil might be corected by the choice of another officer, for he held his seat only during the pleasure of the House. It was true that the rules of the former Congress did not legally bind any one, but he was confident gentlemen would all feel themselves morally bound to observe them, for the sake of good order and propriety, as constituting the law of Parliament.

Mr. HOLSEY insisted that the question should be put on Mr. TOUCEY's motion to lay on the table.

Mr. BRIGGS observed that, on this motion to lay on the table, gentlemen had discussed three distinct subjects, viz: whether the former Clerk was Clerk of this House; whether he was entitled to act as chairman in its organization; and, whether the election in Mississippi was held according to the constitution. But the real question was, whether they should proceed, according to ancient precedent, or should adopt a new course, and appoint a chairman. He hoped they should continue to pursue the old course. The Clerk held his seat as presiding officer by the unanimous consent of those present; not as Clerk of the House, but as acting chairman of this meeting of Representatives. No body had objected to his doing so; he acted by general and tacit consent. He held the papers, and had been allowed to put questions on which the members had voted. He hoped they would proceed to complete the roll.

Mr. MERCER replied to Mr. EVERETT's remarks, with most of which he was understood to agree; but objected to the doctrine that no motion could be put until the roll was completed; surely a motion to adjourn might be put and acted on. He defended the propriety of his motion, both as to its substance and as to the time of making it. The list in the hands of the Clerk was without authority, and he had appealed to the members to know if, in the case of the delegates from Mississippi, it was to be overruled. This was not a mere abstraction, as Mr. THOMAS had contended, but a practical question of vital importance, and one which the House ought to decide, and which they would virtually decide, one way or the other, let the vote go as it would.

The question being now put on laying the resolution of Mr. RHETT on the table, it was carried by a large majority; whereupon the calling of the roll was resumed and completed, when it appeared that 224 members had answered to their names.

The House then proceeded, on motion of Mr. PETRIKIN, to the election of a Speaker. Messrs. HAMER, McKENNAN, and JONES, of Virginia, were appointed tellers; and, having counted the ballots, reported the result as follows:

Total number of votes 224; necessary to a choice		113.
For James K. Polk	- - -	116
John Bell	- - - -	103
Scattering	- - - -	5

So JAMES K. POLK was declared to have been duly elected Speaker. He was conducted to the chair by Messrs. LAWLER and OWENS, when he made a brief address of thanks, and was then sworn in by Mr. LEWIS WILLIAMS, the senior member of the House.

The residue of the members were next sworn.

The House then proceeded to ballot for a Clerk, when WALTER S. FRANKLIN received 146 votes, SAMUEL SHOCK, of Pennsylvania, 48, and 15 votes were cast for other persons.

So WALTER S. FRANKLIN was declared duly chosen Clerk.

On motion of Mr. WILLIAMS, of North Carolina, Messrs. CARR and HUNTER were appointed doorkeepers to the House.

On motion of Mr. CONNOR, Roderick Dorsey was appointed sergeant at-arms.

On motion of Mr. GARLAND, of Virginia, a committee of three was appointed on the part of the House to join the committee on the part of the Senate to wait on the President of the United States, and inform him that a quorum of the two Houses was assembled, and that Congress was ready to receive any communication he may be pleased to make.

Mr. MERCER moved that the standing rules and orders of the last Congress be now adopted, with the exceptions before specified.

Mr. BRIGGS suggested that it would be better to limit the operation of the former rules, with the exceptions referred to, for the space of ten days.

Mr. ADAMS moved that the whole subject, together with the report of the select committee of the last Congress thereon, be referred to a select committee.

Mr. BELL suggested a limitation of the existence of the rules they now wished adopted to the first Monday in December next, in order, he said, to avoid the discussion that would inevitably arise upon them at this very important period.

Mr. HAMER expressed a wish that the gentleman from Virginia would consent to allow the subject to lie over till to-morrow; whereupon,

Mr. MERCER made that motion; which, after a few words from Mr. E. WHITTLESEY, was agreed to.

On motion of Mr. EVANS, it was ordered, That the daily hour of meeting should be 12 o'clock, m. until the House otherwise ordered.

The House then adjourned.

TUESDAY, SEPTEMBER 5.

Mr. GARLAND of Virginia, from the select joint committee appointed to wait on the President of the United States, and inform him that the two Houses of Congress were organized, reported that they had performed that duty, and that the President would transmit a message to them in writing that day at 12 o'clock.

A message in writing was received from the President of the United States by the hands of his private secretary, Abraham Van Buren, Esq. (See appendix.)

The message having been read by the Clerk:

Mr. HAMER moved that the message and accompanying documents be laid on the table, and that ten thousand extra copies be printed.

Mr. OWENS moved to increase the number to twenty thousand.

Mr. ROBERTSON begged to inquire of the gentleman by whom the original motion was made, whether any individual was authorized to print for the use of the House.

Mr. HAMER was not prepared to say whether there was or not. He said he had no objection to accept the amendment of the gentleman from Georgia as a modification of his own.

Mr. WHITTLESEY renewed the motion for 10,000.

In supporting this motion, Mr. W. observed that he had been much gratified on hearing his colleague limit his original motion to 10,000 copies. He had hailed it as an assurance that the House would commence its duties with a suitable regard to the embarrassed state of the country, and with a firm resolution to expend no more of the public money than the public service should absolutely require. It was a fact known to all, that previous to the year 1829, no more than 5,000 copies of any public documents were printed; in that year the number was doubled; then the number was increased to 15,000; for the last two or three years it had risen to 20,000.

Mr. W. would appeal to the experience of all who heard him, whether it were not a fact that the message was always published and circulated over the whole Union for months before the copies from the public printer were obtained. Attempts had been urgently made to keep down the expenditures of the Government, and they had been considered and represented by many as invidious, because they were said to be levelled either at the President or at the public printers. The last objection could not apply at least to the present motion; for as there was at present no public printer appointed, it could not be aimed at such an officer. Mr. W. was now, and always had been, willing to vote all necessary appropriations to the very fullest extent; but why should the House order 20,000 copies of this document? There would not be a newspaper in the country that would not contain a copy of it, and it would have been read by the whole population of the Union before one-half the proposed number of copies would have been stricken off. He trusted that, in the midst of the existing public embarrassments, there would be some effort made to curtail the national expenditures. For himself, he was prepared, so far as his vote would go, to carry out the principles he had now urged to the end. He hoped the House would suffer a division, that it might be seen who were and who were not willing to throw away the public money.

The motion to lay the message on the table having been agreed to, the question was first put on the highest number moved, viz. 20,000 copies.

On this motion Mr. BOND demanded the yeas and nays, and they were ordered; and, being taken, stood as follows, viz: Yeas 115, nays 109.

So the motion for 20,000 was carried.

The Speaker laid before the House a report from the Secretary of the Treasury, on the State of the Finances. (*See Appendix.*)

Mr. CONNOR moved that 20,000 copies of the report be printed; another member moved 10,000.

The question being put on printing 20,000, it was negatived: Ayes 101, noes 106.

It was then ordered that 10,000 copies be printed.

The usual resolution to supply the members with newspapers was moved by Mr. McKENNAN, and agreed to.

PRINTER TO THE HOUSE.

On motion of Mr. PATTON, of Virginia, the House then proceeded to ballot for a printer to the House.

Mr. WILLIAMS, of North Carolina, nominated Gales & Seaton.

Mr. HAMER nominated Blair & Rives.

Mr. CLARKE, of New York, nominated Thomas Allen.

The votes having been counted by Messrs. WILLIAMS and HAMER, were announced as follows:

Total number of votes 230; necessary a to choice 116.

For Gales & Seaton	100
Blair & Rives	103
Thomas Allen	22
Duff Green	1
Blank	4

There being no choice, the House balloted again: when the result was as follows:

Total number of votes 230; necessary to a choice 116.

For Gales & Seaton	102
Blair & Rives	103
Thomas Allen	22
Samuel Allen	1
Blank	2

There being still no choice, the House proceeded to ballot a third time, when the issue stood as follows:

Total number of votes 228; necessary to a choice 115.

For Gales & Seaton	101
Blair & Rives	103
Thomas Allen	23
Blair	1

There being as yet no one chosen, a fourth ballot was gone into, which issued as follows:

Total number of votes 227; necessary to a choice 114.

For Gales & Seaton	103
Blair & Rives	100
Thomas Allen	22
E. C. Allen	1
Blair	1

A fifth ballot being necessary, the members prepared their ballots once more, and the vote stood as follows:

Total number of votes 228; necessary to a choice 115.

For Gales & Seaton	100
Blair & Rives	104
Thomas Allen	23
Blank	1

No choice being made, a motion was now made to adjourn, and carried: Ayes 108, noes 102.

So the House adjourned.

WEDNESDAY, SEPTEMBER 6.

PRINTER TO THE HOUSE.

Mr. BRONSON, by consent, submitted the following resolution:

Resolved, That the further balloting under the resolution of yesterday, providing for the election of a printer for this House, be suspended until the third Monday of September instant; and that, temporarily and until the due election of a printer, the Clerk of this House be authorized and directed to employ some person or persons to do the necessary printing of the House, upon the same terms that it was done at the last session."

Mr. CUSHING expressed a hope that this resolution would not be adopted, since it proposed to do that by resolution which the House had refused to do directly, by a vote of 126 to 100, on yesterday.

Mr. GRENNELL moved to lay the resolution on the table.

Mr. HAYNES asked for the yeas and nays on that motion; which were ordered, and were: Yeas 109, nays 114.

So the House refused to lay the resolution on the table.

The question recurring on agreeing to the resolution—

Mr. PICKENS submitted an amendment, to come in as an additional clause to the resolution, to the effect that

"the contracts for printing be given out by the Clerk to the lowest bidder, subject to the regulations now imposed by law."

Mr. P. said he had voted against laying this resolution on the table, so that the question involved in the matter might be brought to the notice of the House. Every gentleman who had occupied a seat in this House for any length of time, must have witnessed the great evils arising from connecting editors of political newspapers with the printing of Congress. He called upon the House now to sustain him in his effort to separate the printing of the House from editors of newspapers, whose business alone was to defame and slander high-minded and honorable men. He had no idea of continuing patronage to a set of men who had raised one of the most odious despotisms ever held over a free people. A gentleman from Virginia had a few years ago submitted a scheme for separating the printing of Congress from the newspaper press, and he hoped gentlemen would now see the necessity of adopting this project. He had no idea of patronising editors, who were aided by Executive bounty, and grew rich from the plunder of the people. It was time for the House to take this matter into consideration, and separate itself as much as possible from the partisan press of the day. It was proposed to limit the operation of this resolution to the third Monday in September; but he desired himself to free the House entirely from the excitement consequent upon the election of a public printer. He had no idea that this House should be engaged for days in a miserable scramble for the election of a man or set of men to do the printing of the House, merely because they were editors of political papers. The matter of election of printer had grown to be a matter of as much importance as the election of a Speaker of the House, and would continue to create an improper excitement, so long as the printing was connected with the political press of the country. He desired a free and ample discussion of the matter, and he hoped the amendment he had submitted might be adopted.

Mr. BRONSON said that the same reasons which induced him to offer the original resolution, would induce him to vote against the amendment of the gentleman from South Carolina; and he briefly gave his reasons. He said it had appeared perfectly evident to him, from the result of the ballots of yesterday, that no choice of a public printer would be made by subsequent ballots; and it appeared equally evident to him that the people of this country would not look with favor or approbation upon the House spending day after day in balloting for a printer. They had been called together for much more momentous and important considerations. They were called together on an occasion, the like of which was never before seen; and the eyes of the whole nation were directed to their deliberations. Under these circumstances, it struck him that it did not become them to spend two or three days, or perhaps a much longer space, in chosing A, B, C, or any other person, to do the public printing; and, with a view, therefore, that the House might at once proceed to deliberate and dispose of the great considerations for which they had been called together, he had offered that resolution. The same reasons, therefore, that induced him to offer it, would induce him to vote against the amendment; for he plainly perceived that if the latter should be entertained, they would spend probably much more time in discussing it, than even under the balloting of yesterday.

Mr. WILLIAMS, of Kentucky, moved to amend the amendment by adding the words "and to a printer who is not the editor of a newspaper."

Mr. McKAY called the attention of the gentleman from South Carolina to the terms of the joint resolution of 1819, regulating the manner in which the printing for Congress shall be done. In regard to the question of separating the public printing from the newspaper press, Mr. McK. was ready and willing to concur that it should be done, either by the establishment of a private press belonging to the Government, by contracts, or by any other plan that would be practicable. He, however, was not disposed to enter into a discussion of that subject at present, and had only risen for the purpose first stated. He would, therefore, suggest to the gentleman from South Carolina that, while that joint resolution was in force, it would not be in order to adopt the provision embraced in that amendment. That law prescribed the manner in which the printing should be done, and the price to be paid for it, and he held it was not competent in them, during its existence, to let out the work by contract; that law limited the price, and it might turn out that the lowest bid would exceed it, which the Clerk being bound to accept, would be a violation of the law, and the House be paying higher prices for its printing than it was authorized to do by joint resolution and the law of the land now in force.

Mr. PICKENS inquired if there was not a proviso in the joint resolution, "until otherwise ordered."

Mr. McKAY read from it the words "when otherwise specially ordered."

Mr. PICKENS. Then, under that provision, my amendment is clearly in order.

Mr. TAYLOR hoped the original resolution would be adopted; for it was of the first importance that the House should be progressing with the business that had called them together, which was its obvious design. With reference to changing the mode of employing a printer, he believed that no other printers were at present prepared to execute the work, than the editors of the papers in the city; and, moreover, if let to the lowest bidder, some irresponsible man might get the job, who would put in too low a bid, and either disappoint them altogether, by not executing the work at all, or by doing it in a manner that would be disapproved of; in either case the public interest would suffer. He also held the existing law to be binding and in full force until it was repealed by the concurrence of a joint vote of the two Houses.

Mr. WILLIAMS, of Kentucky, said, at the request of several of his friends, he would withdraw his amendment.

Mr. PICKENS then modified his amendment so as to provide "that the contracts should not exceed the prices now stipulated by the joint resolution of 1819, and that this arrangement be extended to the first Monday in December next."

Mr. COLES proposed to amend the amendment by striking out all after the word "and," and insert a provision for the appointment of a select committee to inquire into the expediency of separating the emoluments of public printer from the newspaper press of the country. Lost.

After some remarks from Messrs. McKENNAN, WISE, and UNDERWOOD,

Mr. ROBERTSON moved to insert, in lieu of the definite period assigned in the amendment, the following: "continued until the further order of the House of Representatives." Mr. R. explained why he voted against laying the original resolution on the table. His reasons were two-fold; first, because he found they were engaged in a struggle for an election, not of a printer, but of a politician, or partisan editor; an election which might consume a great deal of the time of the House, without the slightest benefit to the country; and, second, because he hoped the effect of that resolution, if adopted, would be forever to put an end to this biennial struggle for the election of a partisan printer.

Mr. BRIGGS was opposed both to the resolution and the amendment, because it appeared to him to be an evasion, if not a direct violation, of a statute now existing. He then read the statute directing the manner in which a printer was to be elected, and contended that it was not competent for the House, without the concurrence of the

Senate, to give out the printing in any other manner than that laid down in the statute referred to. The joint resolution of 1819 provides that each House shall proceed to elect, by ballot, within thirty days of the adjournment of Congress, a printer for the next Congress. He appealed to gentlemen to say whether this statute was not binding upon them until it was rescinded by the joint action of the two Houses? Taking this view of the question, he could see no other mode of proceeding than to reject the resolution and amendment, and proceed to the election of a printer by ballot.

Mr. GLASCOCK was not disposed, at this stage of the question, to excite the passions of the House by a reference to any political or partisan question which might hereafter arise. We had come here for the purpose of proceeding with the business which we were called together to act upon, as speedily as possible, and he was not disposed now to continue any course which would procrastinate our action on this important business. As to the cause of the existing evils, he was not disposed to make a question. It was sufficient for him to know that the country was involved in difficulty; and he was in favor of the speedy action of Congress on the subject, in order to provide a remedy for the evil. The object of the gentleman from New York in submitting the resolution, he had no doubt, was to dispose of the question of the election of printer as speedily as possible, with a view to facilitate the business of the House; and it appeared to him that this ought to be the desire of every gentleman here. It seemed to him that the resolution, as modified by the gentleman from South Carolina, [Mr. Pickens,] ought to meet the concurrence of every gentleman on the floor of the House. This resolution held out an inducement to every editor or printer in the community to submit proposals, and the contract must be made with the person who is the lowest bidder. He did not look upon this resolution as introduced to effect any political object; and he hoped it would receive the sanction of the House. He looked forward to difficulties which may arise in our deliberations, but he hoped that we might go on and organize speedily, so that we might, if possible, unite in accomplishing the great objects for which we were assembled. He cared not who was elected printer. He, to be sure, had his friends, as he doubted not every man in that House had; but, when we saw so many conflicting interests, we ought to compromise. The plan proposed by the resolution, as modified by the gentleman from South Carolina, he considered the best compromise which could be made, and he hoped it would be adopted, so that we might proceed with the other important business for which we were assembled to consider.

Mr. PICKENS called for the reading of the statute alluded to by the gentleman from Massachusetts, [Mr. Briggs;] which being read by the Clerk, Mr. P. stated that his object was merely to show that, because the House had not complied with the terms of the statute, it was null, and of no effect. The House had neglected to perform its duty in not electing a printer at the last session, thereby considering the statute a mere dead letter. The resolution of the gentleman from New York now proposed to authorize the Clerk to appoint a printer to fill the office left vacant by the negligence of the House. That being the case, and the resolution being before the House, he considered his amendment as being strictly in order. The argument of the gentleman from Massachusetts he considered as applying equally to the resolution of the gentleman from New York, with the amendment submitted by himself. He contended, however, that both the resolution and amendment were strictly in order, and he hoped they would be adopted.

Mr. HOFFMAN, of New York, alluded to the distress which had existed, and was now existing, in the city of New York, and asserted that the press which had received special favor from the Executive had used its efforts to increase that distress; and when they had petitioned the Executive for relief, in the midst of their distresses, their petitions had been spurned by the official organ of the Government. The power which they received from the Executive was made use of as an engine to strike down the interests of a large class of our citizens. He deprecated the course pursued by the party press of the country, but he could not see that we could adopt the resolution now before the House, because, in his opinion, it went to abrogate an existing statute of the land. He contended that it was not competent for the House to set aside a joint resolution of the two Houses; and that the only means of effecting the object desired by the gentleman who introduced the resolution, would be the passage of a law changing the mode of appointing a public printer.

The question was then taken on the amendment submitted by Mr. Robertson, and decided in the negative, without a division.

The question then recurred on the amendment of Mr. Pickens.

Mr. RENCHER called for the yeas and nays on this amendment; which were ordered.

Mr. REED contended that the laws in relation to the prices for printing were wholly defective. The law was specific in relation to the setting of types, to be sure, but it was entirely defective in relation to the paper to be made use of, in consequence of which the public printer might use paper which would not be fit for the work. He then moved to amend the amendment, by inserting therein the words "that the quality of the paper be also prescribed in the contract."

The question was then taken on the amendment of Mr. Pickens, and decided in the affirmative: Yeas 112, nays 109.

Mr. CAMBRELENG called for the reading of the resolution as amended, which being read, he said there appeared to be some inconsistency about it. It appeared to him to be important that the public documents already ordered to be printed, should be printed and laid upon our tables, and he did not perceive that the resolution was calculated to effect that object speedily. It seemed to him if the resolution was adopted, that it would be a week or ten days before a single document could be printed, and he therefore hoped it might not be agreed to.

Mr. WISE moved the following amendment:

Strike out all after the word "resolved" and insert the following: "That the Clerk of the House be, and he is hereby, authorized to employ the editors of the Intelligencer and the Madisonian to execute the printing of this House, upon the terms of the joint resolution of 1819, until the first Monday in December next."

Mr. CAMBRELENG asked for the yeas and nays; which were ordered.

Mr. McKENNAN moved to lay the whole of the propositions on the table.

Mr. MONTGOMERY asked for the yeas and nays on this motion, but they were not ordered, and the vote was taken by tellers: Yeas 117, nays not counted.

So the whole subject was laid on the table.

ELECTION OF PRINTER.

The House then resumed the ballot for the choice of a printer to the House for the 25th Congress, commencing with the 6th ballot, (five having been given in yesterday,) and the result was as follows:

Sixth Ballot.

Total number of votes 230; necessary for a choice 116.

For Gales & Seaton	93
Blair & Rives	107
Thomas Allen	27
Blank	3

SEVENTH BALLOT.

Total number of votes 227; necessary for a choice 114.

For Gales & Seaton	68
Blair & Rives	101
Thomas Allen	53
Blank	5

EIGHTH BALLOT.

Total number of votes 228; necessary for a choice 115.

For Gales & Seaton	81
Blair & Rives	101
Thomas Allen	42
Blank	4

The result of this ballot showing that no choice was yet made, the House was proceeding to a ninth bollot, when,

Mr. TAYLOR, of New York, proposed that the printers for the last Congress continue to do the work until another shall be appointed. But this was laid on the table without debate—123 to 100.

Mr. BOON thereupon moved a resolution that the printer be chosen *viva voce*.

On this motion a very spirited debate arose, in which Messrs. PATTON, BOULDIN, DAWSON, BOON, BRIGGS, WISE, GHOLSON, FOSTER, UNDERWOOD, POPE, and ROBERTSON took part.

Mr. PATTON and Mr. BOULDIN took the Virginia ground in favor of viva voce voting in all cases; contended for the right of constituents to know all the public acts of their representative, and insisted that all arguments for the ballot in preference were at last resolvable into the principle of hypocrisy, and a wish for concealment from somebody.

It was objected that the law of 1819 required the election to be by ballot.

To this it was replied, by Mr. PATTON, that the law was unconstitutional and void; but he was afterwards reminded that the constitution provided the ballot in the highest of all elections by the House, viz. that of a President of the United States.

Mr. DAWSON wanted to know why, after eight ballotings, it was now suddenly proposed to vote openly? Some discovery seemed to have been made; some gentlemen had not acted in conformity with the wishes of others, and it was now required that the votes of all should be known. If there was any secrect fact of this sort, known only to the mover of this resolution, he wished it to be known. If it was merely intended to place in the harness gentlemen who were a little chafed, and seemed unwilling to draw in the old yoke, such gentlemen were stabbed by the resolution with the imputation that they dared not act independently even in the election of a printer! He wished his constituents to understand the reason of so novel a movement.

Mr. BOON said that he had no apology to make to the gentleman from Georgia [Mr. DAWSON] or to the House, for having introduced a proposition that, in the election of public printer to the House of Representatives, the votes of the members shall be given *viva voce*. In this simple proposition, no charge, either directly or indirectly, was made touching the motives of any gentleman. Mr. B. said the proposition he had submitted to the House was not a novel one. It was in strict accordance with the true principles of republicanism; and he wished to know the gentlemen, if such an one there should be in this House, who stood opposed to a full exposition of all his public acts being made known to his immediate constituents and the country at large. Mr. B. was not only in favor of the *viva voce* principle being applied in the election of public printer, but, like the gentleman from Virginia, [Mr. PATTON,] he was in favor of extending the same principle in the election of all the officers of the House. These were questions on which the votes of each member should be given in such a manner as to leave no doubt as to how, or for whom, he did vote.

The people are ever jealous of their rights; and, who, I would ask, will deny their right to know how their representatives vote on all questions, as well in the election of public printer, and all other officers of the House of Representatives, as on other questions connected with their public duties? Why should a part of the public acts of the people's representatives be conducted in a public manner, and part thereof be conducted in a secret manner? Such a practice Mr. B. considered anti-republican, and at variance with professions made by gentlemen on the floor of the House of Representatives, who are in the habit of declaiming in favor of the rights of their constituents. Mr. B. said that he had not risen to make a speech; his only object was briefly to express, in a very few words, his preference in favor of the proposition which he had submitted to the House, and being desirous to know who and how many gentlemen were opposed to the resolution by him submitted, he would conclude by asking that the question be taken by yeas and nays.

An amendment, proposed by Mr. PATTON, to add "and all other officers," was now carried without a count.

Mr. BRIGGS urged the objection from the law of 1819; denied that the printer was an "officer" of the House. He ridiculed the idea of inflicting such a stigma on the House merely to gratify an invidious, disappointed man. It was beneath the dignity of the representatives of freemen. If their constituents could not trust them to act in a case like this, the days of the republic were indeed numbered.

Mr. WISE rejoiced at the bold, open, manly ground taken by his colleague. It had been said, on this occasion, that old Virginia was wanting in nerve. He hoped there would be an end of that charge. Virginia would vote the conservative candidate *viva voce*. He would himself bet on the white plume. Gentlemen talked of the distress and the delay: he remembered when they mocked at public distress, and called it panic. He would now mock them in turn, and retort their own language—"Groan, sinners, groan." The gentleman from Georgia had alluded to the imputation of slavery in the House implied in the resolution. The imputation was too just. The fact was so. You could not ask in this House the question of Brutus, "who is here so base that he would be a bondman?" This was the truth: the House was not independent, and had not been for the last four years. The power of the Executive was so strong that the representatives of the people needed a veil for safety. But (said Mr. W.) it has gone beyond that: no veil will hide you. You are every man of you marked. Your doom is sealed. We all know what will be the consequence of going into a *viva voce* vote—some of you will offend the President.

Mr. GHOLSON said that he himself, like the gentleman from Virginia, [Mr. WISE,] who last addressed the chair, was in favor of the *viva voce* mode of voting, not only in that body, but in all others—not only for public printer, but for every other appointment by the agents of the people. Being in favor of it, also, like the gentleman, he was indisposed to screen himself from this resolution, or skulk from the responsibility of the open vote proposed by it; for he had never given a vote which he feared to have exposed to his constituents and to the world.

Sir, continued Mr. G., we are here told—we the representative citizens of a free people, we the American Congress of the United States, are gravely told that this House is not free, and that we dare not carry out our own principles! That we, the representatives of a free people, are not independent, and dare not express our own will! It may be that gentlemen have come here with such feelings, but for myself, sir, I unhesitatingly and unqualifiedly deny the charge. I came here, sir, the representative of the freemen of Mississippi, and stand prepared to carry out their will fearlessly, boldly, and independently; and such

I honestly believe to be the situation and determination of every democrat in this House. There may be individuals here, there may be politicians here, acting on principles at variance with those they entertained when they first entered this hall, and who no longer possess that spirit of independence, and that adherence to principle, which should characterise the representatives of a free people. We are told that this resolution is to affect that party voting for the individual as public printer who has the smallest number of votes, (Thomas Allen,) and the gentleman from Virginia inquires of my friend from Indiana [Mr. Boon] whether any illegal combination, any extraordinary combining of the two political parties has been discovered, rendering it necessary to be exposed to the American people. Let me ask, sir, does that gentleman, for himself and his friends, dread exposure to his constituents by the votes they have here given? If not, why the inquiry? I will tell the gentleman that, from what I know of some of those who have voted for that candidate, they do not dread the responsibility of voting *viva voce*. Why then this attempt to terrify them? Why tell them their doom is sealed? Whence the necessity of all this? Sir, I have regretted to see the spirit of the speeches we have heard delivered to-day by the two gentlemen from Virginia and South Carolina, [Mr. Wise and Mr. Pickens,] for they were too much characterised by the party spirit of the day. I had hoped that, on such an occasion as this, we should have met in a spirit of harmony and compromise, especially after the declaration of the gentleman from Virginia himself, that this was to be termed "the distress session." Sir, I have the honor to be sent here by a people whose patriotism extends further than their pockets; and though we have suffered embarrassments as severe and as heavy as those that have afflicted any other portion of this Union, they are still prepared to suffer much more for the good of the country. We, sir, of Mississippi, do not rely alone upon—nay, we do not expect, the aid of this nor any other legislative body. Though the message of the President has been already denounced, and characterised as a *locofoco* document, I will say that if that doctrine prevailed more generally than it does, the influence of bank rags would be lessened, the community less afflicted, and more political honesty found among us than I fear is now the case.

The gentleman from Virginia tells us, that it was his province to investigate into the abuses of this Government, and that one of the great evils was, that we had a partisan press engaged in executing the public printing, and that hence that press was bought up by the Government. A strange conclusion this, sir! Let me ask the gentleman if in the course of his inquiries about the corruption of the press, he discovered any thing about the payment of a certain $52,000, by a great moneyed corporation, to buy up a certain press? That corporation had been put down, I hope effectually and forever, mainly through the exertions of the partisan press alluded to by the gentleman, (the Globe.). I wonder, sir, if the gentleman's labors discovered any trace of $52,000, or any other sum, paid by the late Executive and his administration, or by the present. If the American press has become corrupted, the cause of it may be found in the transaction I have referred to.

Mr. Speaker, why then is it necessary for us to cringe, or to crouch, or to pretend to do either, before Executive influence? Do we dread that influence? Have we any cause to do so? Are we not responsible to our constituents, and to them alone? and if we fear to show our votes, is it not because we rather dread the responsibility we should be under to them, and the account they might call us to? Why, sir, the gentleman from Virginia is the very last man who would be brought to say he dreaded Executive influence, and yet he cautions those who are called conservatives to be on their guard, for that they will be marked! Why, sir, does the gentleman suppose that there are any here possessed of so little independence as to dread the influence of the Executive? Does he pretend to say that it has come to this, that the members of this body, who do not go in accordance with the will of the President, are to be hunted down? Does he think the President is not otherwise employed than in hunting down, or striving to hunt down, those who may differ with him? Have we come here to legislate for the President, or to make a successor to him? That war I thought, sir, had been over, the people having performed that duty, fortunately, without our intervention. It really does appear to me, therefore, Mr. Speaker, that, if we commence this way, the sooner we leave here, and return to our constituents the authority by which we came here, the more credit we shall be entitled to, and the more honor we shall merit.

I reiterate the hope, sir, that this resolution will be adopted, so that we may be enabled to give an assurance to the American people, that we are willing to take the responsibility of voting for whom we please, and especially that we have no dread of being hunted down by executive influence. I wish also to show the American people upon whom this delay is accountable. I wish my constituents to be satisfied that upon me rests not the responsibility of this delay of the public time. What a picture does this proceeding present. We were convened upon an extraordinary emergency, and here have we been for two days engaged in what is called the pitiful election of a public printer. First we have been told that a partisan editor, or the printers of a political paper, ought not to be voted for; and yet the very gentlemen who say so are themselves engaged in voting for one of that character, though of their own political sentiments. Then gentlemen are cautioned not to show how they vote for fear of being hunted down by Executive influence, and every thing is urged calculated to keep up this delay. I do think, however, that the circumstances under which we now are, the number of ineffectual ballotings we have already had, and the consequent delay that has been already produced, render it incumbent upon us, and we owe it to our constituents, to our honor, and our sense of justice, that we should assume the responsibility of showing to the world who are the causes of keeping up this delay. To do this requires the passage of this resolution: and again, sir, do I entreat the House to adopt it.

Mr. UNDERWOOD urged the last objection, and suggested that the course adopted in Kentucky would be necessary, viz: to drop the candidate who had the fewest votes. Otherwise, they never could come to an election.

Mr. POPE was willing all his votes should be known, but considered the resolution as reflecting on the House. He adverted to the public distress, and the anxiety of the people of the Union in such a crisis; complained of the consumption of time; doubted the right of the House to vote otherwise than by ballot, and concluded by expressing a hope that the resolution would be withdrawn.

Mr. ROBERTSON moved that the further consideration of the resolution be postponed, and intimated his purpose to offer as a substitute a resolution dividing the public printing among different persons not exceeding four, neither of whom should be an editor of a newspaper.

While the question was pending on the motion to postpone, the House adjourned.

Thursday, September 7.

PRINTER TO THE HOUSE.

The House then resumed the consideration of the resolution, submitted yesterday by Mr. Boon; which was, as modified by himself, in these words:

"*Resolved*, That in the election of a printer to the House of Representatives for the 25th Congress, the vote of the members shall be given *viva voce*," the amendment of Mr. Patton extending the principle of voting *viva voce*, to

all other officers appointed by the House, having been adopted.

Mr. ROBERTSON moved to strike out all after the word "resolved," and insert the following:

1. *Resolved*, That the public printing ought to be separated, as far as practicable, from the political press.

2. *Resolved*, That to afford time to digest a plan, having that object in view, the Clerk, until further order, contract for all printing ordered by this House, upon the terms and in the manner prescribed by the joint resolution of the 3d March, 1819, distributing the same among the proprietors of the several printing offices, not exceeding four, in the city of Washington, who will execute it on those terms, providing they will undertake to execute it equally, or in such proportions as they will contract to execute it.

Mr. Robertson said the question involved in the resolution was one of deep interest, but he did not consider this the time to go into a discussion of the matter; we have other and important matters to take into consideration, and he hoped the time of the House would not now be consumed in a discusssion of a matter of this kind. He had introduced the proposition to get rid of the difficulty in which we have found ourselves involved. This contest for printing appeared to be a contest for political power, and from the manner in which political parties were now divided, it must be evident that unless one party or the other yields, there can be no union and no election can take place. The object of his proposition was to avoid the difficulty, for it was not to be expected that either party would yield the ground they had taken. He could not see that any gentleman could object to this proposition, and he submitted it to the House, hoping it might be adopted; because he apprehended that if the House did not adopt some such proposition as the one submitted by himself, a great portion of our session would be spent in determining the question as to who was to be elected public printer. We have other and higher duties to perform here, than to contend for the choice of a printer of the House, and he therefore hoped that his amendment might be speedily adopted.

Mr. GARLAND, of Virginia, asked the indulgence of the House for a moment or two upon the subject of this resolution, growing out of the peculiar position he then occupied.

With regard to the abstract proposition of his honorable colleague, [Mr. Robertson,] he regarded it as a sound one, yet he believed it, at present at least, impracticable in execution. He thought the public printing should be, if practicable, separated from the public press, but yet the public press were the political engines of the country, and the Government itself was a Government of politics; and it would be as impossible to make the separation as it would be to separate any thing else of the most obdurate and difficult character. He should therefore vote against it.

In relation to the proposition to distribute the printing, he was utterly opposed to it. The House had one of two duties to perform. It must either designate the public printer, or select an agent for the performance of that duty. If it selected an agent, it must select one who could have the printing done with neatness, care, and despatch, and in whom they could confide.

In relation to another point, growing out of the resolutions of yesterday, he wished to say a few words. He was one of that humble few, of that single twenty-two, who had voted for a particular individual (Thomas Allen) for printer. His determination to support that individual had been formed, not on account of private hostility to the late public printer, nor on account of any arrangement, management, or intrigue, with the friends of either of the other competitors for the office, for he had had none; but it had grown out of the fact that he stood pledged to his constituents to support a set of opinions which the editors of the Globe stand pledged to war against. Hence it was that, while the friends of Gales and Seaton, and the friends of the editors of the Globe, were all advocating their claims, it was but an humble privilege which he had exercised in supporting the claims of Thomas Allen, with whom he agreed in opinion. When Mr. G. had been approached on this subject, he had been distinct in the annunciation to all who approached him, that he should not vote for Gales and Seaton, because he differed from them materially, and more materially than he did from Blair and Rives. If, however, he was voting for a wolf in sheep's clothing, he should deeply regret it; but till he found it out, neither wrath nor indignation should ever drive him from his position.

Mr. G. said that one of his honorable colleagues [Mr. Wise] had made a remark yesterday which had drawn him out on this occasion. The party to which Mr. G. belonged had been called conservatives, and he admitted he belonged to that party. He agreed also in the general tenor of the remarks of his colleague; but he understood him to say that they (the conservatives) were marked, and were put aside, as the "fatted calf," for execution. Mr. G. hoped the information of his colleague was incorrect; but yet he had no terror pressing upon him that any kind of proscription would follow him, so long as he merited the approbation of his constituents in the position he had taken, having in his own breast a sense of rectitude.

Mr. WISE made a brief explanation.

Mr. GARLAND said he understood his colleague then as now. He had sought no controversy with any one; but if it came, it came from others, not from himself. Mr. G. then referred to the history of one of the Roman consuls, who had put his son to death for disobedience of orders, as applicable to the case in point, and added that if he was to be executed, even the knowledge of such a determination should not drive him from any opinions he had entertained heretofore. Them he would never desert, for he had honestly and conscientiously entertained them; and nothing under the heavens should ever induce him to desert them. His motto should be "My country first, and then with the party with which I can honestly and conscientiously go." Upon this principle he had stood and voted for Speaker, and was then standing in voting for public printer; and, come what would, he should ever stand upon that position.

Mr. CLARKE said he had no hesitation in voting for the proposition to take the vote *viva voce*, for he had no desire to disguise from the House, or from his constituents, that he had all along voted for Thomas Allen in preference to Blair and Rives. But as this discussion would probably be prolonged, he thought it better to take some other opportunity of considering it; and he, therefore, moved to lay the whole subject on the table.

Mr. ROBERTSON asked for the yeas and nays, but the House refused to order them, and the motion to lay on the table was agreed to without a division.

Mr. GRAVES then offered the following resolution:

Resolved, That the Clerk of this House be directed to contract with Thomas Allen to do the printing of this House until a printer is elected, provided that the contract can be made upon terms as favorable to the Government as those upon which similar services were performed during the last Congress.

Mr. GRAVES said he proposed to submit but a remark or two as to the reason which had induced him to submit this resolution.

We have employed the greater portion of two days in a fruitless attempt to elect a printer. We have balloted eight times unsuccessfully, and without any certain prospect of procuring a majority of all the members present to unite on any one of the three candidates for whom we have been thus far balloting, as long as all continue to be voted for. Now, inasmuch as the sense of the House has been

taken upon the resolution of a gentleman from New York, [Mr. Taylor,] that the editors of the Globe should be employed by the House to do the printing until an election could be made, and as a majority could not be procured in favor of that resolution, although Mr. Allen is not my first choice, as I think a majority can be more likely united on him, I have offered this resolution. If it should fail, one can then be offered in favor of the editors of the Intelligencer, so as to have expressed the sense of the House as to each of the three prominent candidates.

Mr. PATTON moved to lay the resolution on the table; whereupon,

Mr. GHOLSON asked for the yeas and nays.

Mr. LEGARE hoped the gentleman would withdraw the proposition, and was proceeding in his remarks; when,

Mr. PATTON rose to a question of order, that the motion to lay on the table was not a debatable one.

Mr. WILLIAMS, of Kentucky, submitted to the Chair, whether the resolution itself was in order, since it interposed between the ballot for public printer.

The CHAIR ruled that it was in accordance with the decisions of yesterday.

The House then, by tellers, refused to order the yeas and nays.

Mr. GRAVES said that, perceiving that the resolution which he had submitted is not acceptable to the House, he had arisen with a view of withdrawing it. But before he did so, he begged leave to say a word in reply to the remark of the gentleman from South Carolina, [Mr. Legare,] who said that he disclaimed any desire on the part of the friends of Mr. Allen, that this resolution should be adopted. Which is, that he did not act in reference to the wishes of the friends of Mr. Allen, or of any other editor, in submitting his resolution, but solely with a view of subserving the public good. [Here the Speaker called Mr. Graves to order, and remarked it was out of order to submit any remarks pending a motion to lay upon the table.] Mr. Graves then said he was fully apprized that his remarks, like those of the gentleman from South Carolina, were not strictly in order. But as the Chair did not interpose, until a question was regularly made by a member, in the case of that gentleman, he was somewhat surprised at its remarkable pertinacity in the case of himself, when but a remark had been made. Mr. G. then withdrew the resolution.

The House then proceeded to a ninth ballot for printer, and the result being announced, was as follows:

Total number of votes 228; necessary to a choice 115.

For Gales & Seaton	48
Blair & Rives	104
Thomas Allen	70
Blank	3
Green	1
Clarke	1
Force	1

Mr. HOWARD then submitted the following resolution.

Resolved, That the further balloting for a printer, under the resolution of Tuesday last, be suspended until the third Monday of September instant., and that temporarily, and until said third Monday in September, the printer to the last House of Representatives be employed to execute the printing of the House upon the same terms and conditions that were agreed upon at the last Congress.

Mr. RENCHER inquired if this resolution was in order. It appeared to him, that it was of a character similar to one offered on a former occasion.

Mr. HOWARD remarked that his resolution was a mere temporary expedient, whereas the resolution of yesterday might have run through the whole session. Mr. H. said that the reason why he offered the resolution was, that he considered that we had spent time enough in this preparatory stage of our proceedings in a fruitless effort to elect a public printer.

Mr. BRIGGS rose to a point of order. He had understood the Chair on yesterday to decide a resolution similar to the one now before the House out of order; because it was on a different subject from the one immediately before the House. If so, the resolution of the gentleman could not be in order.

The Chair stated that the resolution decided to be out of order on yesterday, did not propose to suspend the balloting which was then progressing, whereas the present resolution did propose a suspension of further balloting.

Mr. HOWARD proceeded. We had spent time enough in this fruitless effort in his opinion, and the pressure of the public business would not permit us further to progress in this matter to the waste of the time of the House. We have already ordered 20,000 copies of the message to be printed for the purpose of being disseminated among the people, so that we might learn some expression of opinion from them on the subject. The people expect us to send out this message to them, and it is but proper that we should gratify the public expectation. He knew gentlemen would say that the message would be published in the newspapers of the country; but that was no reason why we should not send out speedily the messages we had ordered to be printed; besides there were many places where newspapers were not printed which required our attention. We are told in the message of the President that, by the first day of October, there will be many matters of importance to claim our attention. The instalments due the States come due by that time, and, if they are to be paid, it will be necessary to provide means of paying the instalments. The merchants' bonds also become due at that time, and it will be necessary to have some action on the subject. If they are to be extended further, it is time that the subject was taken into consideration. The law in relation to the funds to be distributed to the States must either be repealed, or the means provided of making the payments, as it is out of the power of the Treasury Department to meet the payments. We have now but three weeks to organize the House, appoint committees, digest a plan for meeting the emergency in which we have been placed, and adopt it. As this duty was to be performed, it was time we were proceeding with it. If the deposite law is enforced, we are told that the Treasury will be short some six millions of dollars. It, therefore, behooves us to go to work instantly, with a view of meeting the case. He considered that they had no more time to lose in ballotings, and he considered that his resolution proposed a plan by which we could proceed with our business, appoint our committees, and have something done by the first of October. From the position in which they had been placed, he felt it incumbent upon himself to submit the resolution before the House, and he hoped it would be adopted.

Mr. PATTON said that the majority of the House, not the party majority, had determined to proceed to the execution of the order of yesterday, in relation to the election of a printer by ballot. They had manifested this determination in a great variety of forms; and it was useless to endeavor to prevent them from carrying out this determination. It had been asserted on yesterday, in a tone of menace, that it was desired to let the country see who it was that was wasting the time of the House in this scuffle for public printer. The country will not see it. This motion comes from the friends of that candidate which the majority of the House have determined not to elect. Why was it that these motions are pressed upon us, when it is known that they can have no other effect than to delay the business of the House? It struck him as very curious, that the more near we come to effecting an election, the more ready certain gentlemen are to assert that the effort will be fruitless. He thought he saw in the last two or three ballotings that the matter was likely to be brought

to a speedy termination; and he hoped gentlemen would forbear in their efforts to keep off an election. He concluded by moving to lay the resolution on the table.

Mr. HARRISON called for the yeas and nays; which were ordered, and were: Yeas 116, nays 107, as follows:

YEAS—Messrs. Adams, Ayerigg, Alexander, Heman Allen, John W. Allen, Bell, Biddle, Bond, Borden, Bouldin, Briggs, William B. Calhoun, John Calhoon, William B. Campbell, John Campbell, William B. Carter, Casey, Chambers, Clowney, Connor, Corwin, Cranston, Crockett, Curtis, Cushing, Darlington, Dawson, Davies, Deberry, Dennis, Dunn, Elmore, Evans, Everett, Ewing, R. Fletcher, Filmore, Rice Garland, Goode, James Graham, William Graham, Grantland, Graves, Grennell, Griffin, Hall, Halstead, Harlan, Harper, Hastings, Hawes, Henry, Herod, Hoffman, Hopkins, Robert M. T. Hunter, Jenifer, Henry Johnson, William Cost Johnson, Legare, Lincoln, Andrew Loomis, Mallory, Marvin, Samson Mason, Maury, May, Maxwell, McKennan, Menefee, Mercer, Milligan, C. Morris, Naylor, Noyes, Ogle, Patterson, Patton, Pearce, Peck, Phillips, Pickens, Plumer, Pope, Potts, Rariden, Randolph, Reed, Rencher, Rhett, Ridgway Rives, Robertson, Rumsey, Russell, Sawyer, Sergeant, Augustine H. Shepperd, Charles Sheppard, Sibley, Slade, Snyder, Southgate, Stanly, Stewart, Stratton, Taliaferro, Thompson, Tillinghast, Toland, Underwood, John White, Elisha Whittlesey, Lewis Williams, Sherrod Williams, Christopher H. Williams, Wise, Yorke—116.

NAYS—Messrs. Anderson, Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Boon, Brodhead, Bronson, Bruyn, Buchanan, Bynum, Cambreleng, Timothy Carter, Chapman, Cilley, Claiborne, Clark, Cleveland, Coles, Connor, Craig, Cushman, Davee, DeGraff, Dromgoole, Duncan, Edwards, Farrington, Fairfield, Isaac Fletcher, Foster, Fry, Gallup, Gholson, Glascock, Grant, Gray, Haley, Hammond, Hamer, Harrison, Hawkins, Haynes, Holsey, Holt, Howard, Hubley, William H. Hunter, Ingham, T. B. Jackson, J. Jackson, J. Johnson, N. Jones, John W. Jones, Kemble, Klingensmith, Leadbetter, Logan, Arphaxed Locmis, James M. Mason, Martin, McKay, Robert McClellan, Abraham McClellan, McClure, McKim, Miller, Montgomery, Moore, Morgan, Samuel W. Morris, Muhlenberg, Murray, Noble, Owens, Palmer, Parker, Parmenter, Paynter, Pennybacker, Petrikin, Phelps, Potter, Pratt, Prentiss, Reily, Sheffer, Shipley, Smith, Spencer, Taylor, Thomas, Titus, Toucey, Towns, Turney, Vail, Vanderveer, Wagener, Webster, Weeks, Thomas T. Whittlesey, Jared W. Williams, Worthington—107.

So the resolution was laid on the table:

Mr. HARRISON, of Missouri, then submitted the following resolution:

Resolved, That for the purpose of putting an end to further ineffectual ballotings, for printer to the House, in future ballotings, the persons receiving the fewest number of votes upon a count shall be dropped, and the balloting shall be continued between the two receiving the highest number of votes.

Mr. McKAY called the attention of the House to the fact, that they had not proceeded in accordance with the resolution of 1819; and, even if we had, that resolution was believed by a good number of gentlemen to be unconstitutional, and not binding upon them. If, then, it was not binding upon them, the inquiry might arise whether Blair and Rives, having received a plurality of votes, were not elected. In proof of this, he alluded to the case in the Senate in 1829, in which a resolution was adopted declaring Duff Green printer of the Senate when he had received but a plurality of votes. Taking this as a precedent, he would inquire whether it was not in the power of the House to declare Blair and Rives printers to the House. He would not go into this subject, but merely threw out these suggestions for the consideration of gentlemen.

Mr. PATTON would be glad to have a vote by yeas and nays on the proposition, whether Blair and Rives were elected printers, as he should like to know how the democratic republicans would stand on this question; but as the question could not now be made, he would move to lay the resolution of the gentleman from Missouri on the table.

Mr. HARRISON called for the yeas and nays, which were not ordered, and the motion to lay on the table was agreed to.

The House then proceeded with a tenth ballot, the result of which was declared to be as follows:

Total number of votes 220; necessary to a choice 115.

For Gales & Seaton - - -	21
Blair & Rives - - -	105
Thomas Allen - - -	99
Blank - - - -	3
Clarke & Force - - -	2

There being no choice, the House went into the eleventh ballot.

Total number of votes 225; necessary to a choice 113.

For Gales & Seaton - - -	8
Blair & Rives - - -	102
Thomas Allen - - -	111
Blank - - - -	2
Clarke & Force - - -	1
D. Green - - - -	1

There being no choice, the House proceeded to a twelfth ballot.

Total number of votes 225; necessary to a choice 113.

For Gales & Seaton - - -	9
Blair & Rives - - -	101
Thomas Allen - - -	113
Scattering - - - -	2

Whereupon Thomas Allen was declared duly elected printer to the House for the 25th Congress.

On motion of Mr. WHITTLESEY, of Ohio, the House took up the resolution submitted on Monday last by Mr. MERCER, proposing to adopt the rules and orders of the last House of Representatives, with the exception of those relating to the appointment and duties of the Committee on Elections, the reference of which he moved to a select committee.

The question pending, was the amendment of Mr. ADAMS to refer the whole subject, together with the report of the select committee of the last Congress thereon, to a select committee.

Mr. ADAMS having withdrawn his amendment,

Mr. BELL suggested the propriety of referring the whole subject generally to a committee, to report at some future day, either on the first Monday in October, or the first Monday of December next, the House acting in the mean time under the old rules.

After some remarks from Messrs. MERCER and PATTON, Mr. ADAMS withdrew his proposition.

Mr. GRAHAM then submitted an amendment, proposing to adopt the rules of the last House of Representatives for ten days, and submitting said rules to a special committee to revise and report thereon in ten days.

After some remarks from Messrs. SMITH, of Maine, WHITTLESEY, of Ohio, CAMBRELENG, BELL, and UNDERWOOD,

Mr. MERCER modified his resolution, by referring the subject of the rules to a special committee, to be reported upon in ten days, and that the rules of the last House of Representatives, with the exception of that in relation to the Committee of Elections, be adopted for the government of the House for the ensuing ten days.

Mr. HAMER then moved to strike out all after the word resolved, and insert an amendment that the rules and orders of the last House of Representatives, excepting the

107th rule, be adopted for the government of the House until Friday, the 15th instant; and that a special committee be appointed to prepare and report rules for the government of the House.

After some remarks from Messrs. HAMER and MERCER, the amendment was disagreed to: Ayes 86, noes 89.

Mr. HAMER then moved to amend, by striking out that part in relation to the Committee of Elections, and insert "except the 107th rule."

Mr. H. subsequently, at the request of Mr. CAMBRELENG, modified his motion by moving to strike out the exception in relation to the Committee of Elections; which motion was agreed to: Ayes 100, noes not counted.

After some remarks by Messrs. POPE and MERCER, the resolution was adopted.

On motion of Mr. WHITTLESEY of Ohio.

Ordered, That the several standing committees be now appointed, according to the rules and orders of the House.

Mr. BIDDLE then submitted the following resolution, which by the rule lies over one day.

Resolved, That the Secretary of the Treasury report to this House, whether a letter purporting to be addressed by him to the Clerk of the House, offering payment in specie to members of Congress, is authentic; if so, to what other claimants on the Treasury, a similar offer has been made, and what principle of discrimination, if any, has been adopted in the medium of payment to the public creditors.

On motion,

The House then adjourned.

Friday, September 8.

After the reading of the journal—

On motion of Mr. HAYNES, it was resolved that when this House adjourns, it will adjourn to meet on Monday next.

Mr. ROBERTSON, of Virginia, laid upon the table the following amendment to be proposed to the resolution submitted on yesterday by Mr. Biddle, which was ordered to be printed.

"Also, that he report, so far as ascertained, the amount of specie received by the Government since the first day of May last; the source from whence derived, and the amount from each; the regulations under which the same, or any part thereof, has been disbursed; the persons to whom paid, and the sums paid to each; the amount now on hand, and where deposited. Also, whether since the date above, the public dues, or any portion thereof, have been received in protested drafts, or any funds other than those prescribed by the joint resolution of 30th April, 1816."

DEATH OF Mr. STANDEFER.

Mr. BELL announced to the House the death of his late colleague, the Hon. James Standefer, in the following terms:

Mr. Speaker: The melancholy duty has been assigned me, by my colleagues, of announcing to the House the death of one of our members.

James Standefer, while on his journey to this place, in order to enter upon his duties as a member of this House, was, on the 20th of last month, suddenly arrested by the hand of the Great Destroyer of human existence. By this unexpected event, the country is deprived, at a period of more than common interest and difficulty, of the services of a most devoted and patriotic public servant, and this House of an honest and worthy member. My late colleague was remarkable for an equanimity of temper, and a kindness of feeling, combined with a justness of perception in all the concerns of life, at least of ordinary occurrence, which, without the advantages of early culture, or of books, at any time, procured for him throughout a life which was not short, the respect and esteem of numerous friends, and raised him to the rank of a useful and meritorious citizen. The same qualities of heart and of mind, aided by a reputation for honesty which he nobly earned, and continued to maintain by the most scrupulous regard for truth and justice in all his transactions, public and private, caused him to be repeatedly chosen to the Legislature of his own State; of which body he was a useful and respected member. He was, for many years, a member of this, and I am sure that his quiet and unobtrusive manners—his punctual discharge of all the duties assigned him, in the organization of the House, must have secured the respect of his associates. To these evidences of his worth, I might add, that in the late war with Great Britain, he approved himself an intrepid soldier. He was, above most men I have known, who have risen in any degree into public view, under similar circumstances, free from the pride and vanity of mere station; never anxious to appear what he was not; content to be classed with the useful and faithful, he made no pretensions; had no aspirations beyond his real deserts. If, therefore, my lamented colleague cannot be said to have possessed any of those shining endowments which are required to make a figure in this House, which strike our fancy, or command our admiration, he might still justly lay claim to other and humbler attributes, which, upon the whole, constitute a character of solid merit, and often one of more enduring fame; and that the due and usual tribute of respect be paid to his memory, by this House, I move you, sir, the resolution which I hold in my hand.

Resolved, That as a testimony of respect for the memory of the deceased, the members of this House will go into mourning by wearing crape on the left arm for thirty days.

The resolution was unanimously adopted.

Mr. BELL then moved that the House adjourn.

And it adjourned accordingly, to meet again on Monday next.

Monday, September 11.

The CHAIR announced the following gentlemen as having been appointed members of the respective standing committees, pursuant to the order of the House, viz:

Of Ways and Means.—Messrs. Cambreleng, McKim, Owens, Sergeant, Hamer, Jones, of Virginia, Fletcher, of Massachusetts, Atherton, and Rhett.

Of Claims.—Messrs. Whittlesey, of Ohio, Grennell, Chambers, Darlington, Graham, Russell, Campbell, of Tennessee, Clark, and Carter, of Maine.

On Commerce.—Messrs. Smith, Phillips, Johnson, of Louisiana, Cushman, De Graff, Legare, Toland, Curtis, and Mason, of Virginia.

On the Public Lands.—Messrs. Boon, Williams, of N. Carolina, Lincoln, Casey, Chapman, Harrison, Anderson, Duncan, and Turney.

On the Post Office.—Messrs. Connor, Briggs, Hall, Cleveland, Hopkins, Hubley, Calhoon, of Kentucky, Palmer, and Worthington.

Of Elections.—Messrs. Buchanan, Griffin, Hawkins, Kilgore, Maury, Towns, Bronson, Pennybacker, and Hastings.

On the District of Columbia.—Messrs. Bouldin, A. H. Sheppard, Jenifer, Dawson, Cilley, Prentiss, Beirne, C. H. Williams, of Tennessee, and Hunter, of Ohio.

On the Judiciary.—Messrs. Thomas, Robertson, Toucey, Martin, Corwin, Bynum, Garland, of Virginia, Hoffman, and Potter.

On Revolutionary Claims.—Messrs. Muhlenberg, Craig, Underwood, Taliaferro, Elmore, Foster, Parmenter, Harper, of Ohio, and Birdsall.

On Public Expenditures.—Messrs. Haley, Ogle, Alexander, Titus, Stratton, Rumsey, Fletcher, of Vermont, Crockett, and Patterson.

On Private Land Claims.—Messrs. May, Garland, of Louisiana, Calhoun, of Massachusetts, Harlan, Bruyn, Mallory, Beatty, Rariden, and Leadbetter.

On Manufactures.—Messrs. Adams, Webster, Whittlesey, of Connecticut, Holsey, Slade, Biddle, Tillinghast, Vail, and Naylor.

On Agriculture.—Messrs. Deberry, Logan, Phelps, Weeks, Spencer, Noyes, Davies, Randolph, and Mitchell.

On Indian Affairs.—Messrs. Bell, Everett, Haynes, Chaney, Montgomery, Parker, Campbell, of South Carolina, Murray, of Kentucky, and S. W. Morris, of Pennsylvania.

On Military Affairs.—Messrs. McKay, Coles, Glascock, Thompson, Gholson, Miller, Rives, Kemble, and McClellan, of Tennessee.

On the Militia.—Messrs. Glascock, Wagner, Carter, of Tennessee, Holt, Hammond, Pratt, Hunter, Halsted, and Allen, of Ohio.

On Naval Affairs.—Messrs. Ingham, Milligan, Reed, Wise, Grantland, Moore Richardson, Paynter, and Williams, of New Hampshire.

On Foreign Affairs.—Messrs. Howard, Hamer, Cushing, Jackson, Dromgoole, Rencher, Pope, Claiborne, and Fairfield.

On the Territories.—Messrs. Patton, Potts, Pickens, Pierce, Borden, Graves, Davee, Jones, of New York, and Farrington.

On Revolutionary Pensions.—Messrs. Morgan, Klingensmith, Bond, Fry, Johnson, of Virginia, Sibley, Ewing, Gray, and Loomis, of Ohio.

On Invalid Pensions.—Messrs. Taylor, Williams, of Kentucky, Allen, of Vermont, McClellan, of New York, Petrikin, Stewart, Herod, Reily, and Stanly.

On Roads and Canals.—Messrs. Mercer, Evans, McKennan, Snyder, White of Kentucky, Fillmore, of New York, Johnson, of Maryland, Bicknell, White of Indiana.

On Revisal and Unfinished Business.—Messrs. Mason, of Ohio, Noble, Southgate, Henry, and Peck.

On Accounts.—Messrs. Johnson, of Virginia, Grant, McClure, Sheppard, of North Carolina, and Johnson, of Maryland.

On Expenditures of the Department of State.—Messrs. Morris, of Pennsylvania, Jackson, of New York, Sheplor, Yorke, and Andrews.

On Expenditures of the Department of the Treasury.—Messrs. Allen, of Vermont, Sheffer, Aycrigg, Gray, and Holsey.

On Expenditures of the War Department.—Messrs. Clowney, Vanderveer, Holt, Morris, of Ohio, and Marvin.

On Expenditures of the Navy Department.—Messrs. Brodhead, Maxwell, Goode, Edwards, and Graham, of Indiana.

On Expenditures of the Post Office Department.—Messrs. Childs, Dennis, Hawes, Gallup and Plumer.

On Expenditures of the Public Buildings.—Messrs. Sawyer, Cranston, Menefee, Dunn, and Ridgway.

The Chair announced that petitions would not be called for to-day under the rule, but would be considered to be in order to morrow.

The resolution offered on Thursday last by Mr. BIDDLE, of Pennsylvania, and lying on the Speaker's table, having been again read as follows:

"*Resolved*, That the Secretary of the Treasury report to this House whether a letter, purporting to be addressed by him to the Clerk of the House of Representatives, offering payment in specie to members of Congress, is authentic; if so, to what other claimants on the Treasury a similar offer has been made, and what principle of discrimination, if any, has been adopted in the medium of payment to the public creditors."

Mr. BIDDLE said that the letter referred to in the resolution had struck him, on first reading, as exceptionable, and further reflection had tended to confirm that impression. He had, therefore, seized the earliest opportunity of calling to it the attention of the House.

If the offer it conveyed was a matter of grace on the part of the Secretary of the Treasury; if his mere discretion could determine how the limited specie funds of the Government should be disposed of, it followed, of course, that the offer might, at any time, be withdrawn. It might be withdrawn from the whole House, or merely from obnoxious members. The specie could be diverted at pleasure from us and given to other claimants on the Treasury, whom it might suit the interests of the hour to conciliate or to reward. The Secretary might take it from us and give it, for example, to the Judges of the Supreme Court, who are now paid in paper; thus increasing or diminishing their compensation by his fiat. He might have given it to the Judges of the Circuit Court of the District of Columbia whilst the mandamus case was pending. He may yet allow or disallow it to them. Undeniably, as matters now stand, the people see, with astonishment, that the amount of pay receivable by their representatives on this floor depends on the will of an Executive officer, and may fluctuate with his caprice. Was it consistent with the dignity of the House or the safety of the country, that our position in this matter should be thus precarious?

But he was disposed to look at the subject in another point of view. We had been specially convened to consider the state of the currency. The President desires that our attention shall be confined to this one topic. We are supposed to be here fresh from the people, and to bear with us an active sympathy for the vexation and inconvenience to which every part of the country is subjected by irredeemable promises to pay. At home, or on our way here, we had seen and felt the evils under which the people labor. We had shared those evils. We found ourselves detained upon the highways, at every step, in deciphering and interchanging mysterious looking scrolls—a currency not merely uncontrolled by the necessity of redemption in specie, but which had escaped from the restraint of even decent type, paper, and engraving. Why, then, was each member met here by this extraordinary offer? Was it not calculated—he did not say designed, for he wished to infuse no bitterness into the discussion—was it not calculated to efface the impressions made upon us whilst we were in the midst of the people. Did it not tend to disguise from us the suffering of the country at large? Did it not, at once, erect us into a favored class exempt from all the evils which are now pressing upon our constituents?

Nay, sir, I go farther. I ask, and I ask it with that due respect for the opinions and sensibilities of others, which I shall endeavor to preserve and to cultivate—I ask whether any member of Congress, who closes with that offer, does not create for himself a direct pecuniary interest in the continuance of a depreciated currency—an interest in perpetuating the evils we are called here to remedy? The specie received can be disposed of, at a high premium, for paper which will readily discharge all engagements in this city, or pay debts at home, as we are exempt from postage. This premium will increase with the depreciation of paper. But even now the premium received will, in some cases, suffice to meet all the personal expenses of the member. The entire fifty-six dollars per week, therefore, together with about nine-tenths of what is called mileage, may be laid up in notes of the banks of Baltimore, Philadelphia, New York, Boston, or Pittsburgh. The circulation then of specie would amount to this: the people buy it of the brokers to pay postages and duties; it is then given to us; we sell it to the brokers, from whom the people are again obliged to buy at an advance; and thus it continues to run the round. The people are the purveyors of specie for us. They have the handling of it on their way from the broker's to the post office or the custom-house. This state of things, so comfortable to members of Congress, will cease the moment specie payments are resumed. So far, then, as mercenary motives go, we are made, by this discrimination in

our favor, to feel an interest in catching at any pretext falling in with any scheme, however wild, that may tend to postpone the resumption. Well may we consent to let things take their own course, to regulate themselves, and to await the result of that process with the most exemplary patience. But assuredly we stand in a singular position towards the country we represent, and with whose interests we profess to be identified. We see before us the loss of a profitable traffic the moment we achieve the purpose that brings us here. Such is the penalty of success in our labors! We and the specie brokers on the Avenue will be thrown out of business at the same moment. Would any man, in private life, consent to place in such a position an agent, however pure and upright, with any hope of being promptly and faithfully served?

Mr. B. went on to say that he believed this to be a matter of deep import. It was not connected with party. It appealed to higher interests and to higher thoughts. Nothing (said he) can be more fatal to the usefulness and influence of this House than a belief that we are actuated by a sordid, grasping spirit. Public indignation is especially vigilant here, because that indignation is the only check upon abuse. We all saw how strikingly this was illustrated in the spontaneous movement on the subject of the compensation law. That was treated in this House as a small matter—too small for the notice of the people. But a different lesson was taught. We all remember the storm that burst over the whole country. Mr. Jefferson, in one of his letters, refers to the quick sensibility of the people on that occasion as triumphant evidence of their capacity for self-government. We must bear in mind that our respective States have been paid their claims upon the Treasury in bank paper, or a bank credit twelve per cent. worse than specie. They could not get one dollar in hard money. The laborer upon the public works, who sweats all day over his mattock for one-sixteenth part of our per diem allowance, we pay in paper. I say we pay, because, will any one here pretend to deny that Congress is responsible? The widows and the orphans of those who fell in their country's service, on the deck or the battle-field, we pay in paper. In the city and county which I represent there are many revolutionary soldiers. If one of these venerable men has occasion to take a letter out of one of your post offices, from a son absent in the public service, he must sell to a broker, at a great loss, the money with which we pay his scanty pittance. So it is with the army and the navy. Only the other day, an officer from Florida found himself here with money so worthless that he could not sell it, at any discount, so as to raise specie enough to take up the letters lying for him at the post office. How is it that the Secretary of War can suffer these gallant men to be thus treated—soured and disgusted with the service—whilst another Secretary, having no more legitimate control over the subject, parades, as if in mockery, an offer of specie, through the newspapers, to those who pay no postage, and whose necessities are the least urgent? On what principle can it be of honor, or honesty, or bare decency, that the only public creditors whom the Treasury exempts from the pressure of a common calamity are those whose exclusive duty it is to provide the common remedy?

Suppose (said Mr. B.) a joint resolution were offered insisting, openly and manfully, that the compensation of members of Congress be paid in a medium denied to our respective States, and to other claimants on the Treasury. How many would be found, in the face of the country, to record their votes for it? And yet the course we are invited to pursue involves all the offensiveness of such a resolution without the courage of assuming the responsibility. We would get at the same thing by the bounty of the Secretary of the Treasury. We add to cupidity the crime against our political institutions of giving to the Executive a hold upon the hopes and fears of this House.

Mr. B. repeated the expression of his hope that this House would look anxiously to its standing with the country. The eyes of that country (said he) are on us. Our situation may well be deemed a trying one. The councils of this body, on critical occasions, have long been repelled rather than invited. The great object was to give it the go-by. It has ever been denounced as venal and treacherous on questions connected with the currency. And yet, whilst thus forced to rely on the courage and skill of those who had seized the helm, we are now suddenly called up, at midnight, to receive a hasty surrender of all responsibility into our hands. And this in the midst of darkness, and with breakers around us in every direction! Let us then, sir, so bear ourselves as to rally the full confidence of those who are embarked with us for life or for death.

Mr. ROBERTSON now moved to amend the resolution moved by Mr. Biddle, by adding thereto the following, as proposed by him when the subject was up on Thursday, expressing his hope that the mover of the original resolution would accept of it as a modification:

"Also, that he report, so far as now ascertained, the amount of specie received by the Government since the 1st day of May last; the sources from whence derived, and the amount from each; the regulations under which the same, or any part thereof, has been disbursed; the persons to whom paid, and the sums paid to each; the amount now on hand, and where deposited; also, whether, since the date above, the public dues, or any portion thereof, have been received in protested drafts, or any funds other than those prescribed by the joint resolution of April 30, 1816."

Mr. BIDDLE said that, although he could not oppose the amendment laid upon the table of the House on Thursday by the honorable gentleman from Virginia, it had disturbed the simplicity which he desired his proposition to wear. He wanted a plain answer to a plain question. The Secretary ought to be able to state, in a few words, his principle of discrimination without the delay which would attend the preparation of tables, &c. On that answer Mr. B's own course with regard to pay would turn. He would not accept any thing as a boon which the Secretary might give or withhold at pleasure. He would not dare to carry home to his generous and confiding, but high-spirited and intelligent constituents, bags of specie thus acquired. He knew what those constituents had suffered; he knew what was before them and their families during the next dreadful, dreadful winter. How, then, could he have the heart to enter their workshops and their manufactories to tell them exultingly that Congress could not contrive to do any thing for their relief, but that he had, through the kindness of an Executive officer, managed to fill his own pockets, and that he was soon going back to reap another golden harvest.

Mr. HAMER, of Ohio, observed that it was not usual to enter into debate on a mere resolution of inquiry; but, as some remarks had been made by the gentleman from Pennsylvania, [Mr. Biddle,] which seemed to require a slight notice, he should trouble the House with a few words in reply. He should take leave to say that, if the House adopted the resolution, the Secretary of the Treasury would very promptly reply to the inquiries it proposed to him, by saying whether the circular letter published in his name was authentic, and, if it was, what were his reasons for addressing such a letter to the members of Congress. But it did seem to him that it would have been no more than fair and candid in the gentleman if he had waited for the response of the Secretary before he had undertaken to condemn him. The gentleman, said Mr. H., seems to take it for granted that this is a gratuity, a boon, offered by the Secretary on his own responsibility, and intended to induce the members of Congress to perpetuate the existing state of things in relation to the currency. So far am I from concurring with him, that I have a better opinion of the

members of this House than to believe for one moment that the poor paltry per centage which they might get through a broker for the specie paid to them would influence the course of any gentleman on this floor. If I could suppose that my constituents believed so of me, I would resign my seat before the sun goes down. I have not, however, the slightest objection to the passage of the resolution.

Mr. McKAY said he would vote for the resolution, but the gentleman had accompanied it with some remarks, which Mr. McK. wished explained before they went to the country. The gentleman had said that this offer of specie payment to members was a mere gratuity on the part of the Secretary, and intended to influence the House in its course of legislation. But if the gentleman had taken the trouble to look into the law, he would have discovered that the Secretary, in this step, was simply discharging his official duty. [Mr. McK. here quoted the law of 1836.]

This was the law now binding on all the Secretaries, and it forbade the offer of any thing but specie, or its equivalent. Now, members of Congress were but one class of the public creditors. Suppose the Secretary should offer them their pay in bank notes; if those notes were convertible at pleasure into specie, it would be according to law, but not otherwise. The gentleman had told the House that the States were paid the debts due to them in paper at a large discount. The gentleman was mistaken. No State was under obligation to receive its dues in any paper that was not at par. And as to all the other classes of public creditors, the soldiers, and widows and orphans, of whom the gentleman had spoken so pathetically, were they obliged to accept any thing else? The law applied equally to them. Mr. McK. said he understood that in New York the very merchants who had thrown every possible obstacle in the way of Government, and whose bonds had been extended, went forward with their debenture certificates, drew the specie, and then turned round and reviled the Government as bankrupt. At New Orleans, it was the same: and there the merchants had re-exported their goods to the Havana, or some other neighboring port, with a view immediately to re-import them and get the benefit of the credit allowed by law.

Those who had been here some time could not but remember that one of the charges brought against the Bank of the United States was, that it had furnished members of Congress with drafts on terms different from those required of other creditors. The bank claimed to be the Treasury. He would not go into the details, but they might be found in the Register of Debates. Members could then get three and four per cent. on their drafts. But that was all right—perfectly right. But now, that the bank was not the Treasury, all was wrong. He would admit that Mr. Woodbury had not done a prudent act in publishing that letter; but still it was no more, in substance, than had been done by the Bank of the United States. It was commended in the bank, but reprobated in him.

Mr. BIDDLE rejoined. He thought that all the censure which had been cast by any one, on the present occasion, upon the Secretary of the Treasury, had been cast upon him by the gentleman from North Carolina, [Mr. McKAY.] That gentleman had now told the House that he considered the publication of the circular as an imprudent step. No doubt the gentleman considered it expedient that the whole thing should have been kept quiet, and that the members should have been simply apprized, as they came, that they might touch the specie for their pay. Mr. B. had passed no such censure upon the Secretary. He, on the contrary, had said that the publication of the letter was perfectly right; but that, having discerned in it what he thought was at least very liable to perversion, he had offered an inquiry to know if the letter were genuine. He had cast no censure. He had spoken merely of the bearings and tendency of such a measure. As to the law of 1836, that was intended to apply equally to all creditors of the Government. If so, and this offer was but a compliance with that law, why was not a similar offer made to all the other creditors of the Government? Would the gentleman pretend that it had been? The Secretary himself admitted the contrary, and in his report had told Congress that he was utterly unable to do any such thing. Such being the case, Mr. B. wanted to know, and this was precisely the point of his inquiry, how the Secretary came to exercise the tremendous power of discriminating between public creditors? On that question the gentleman had carefully abstained from saying one word. What a mockery was it to say that the creditor was not obliged to receive any note in payment which was not equivalent to specie? Suppose such a note offered to one of your officers in Florida, and he should say "I will not take that;" what was the consequence? "He must take his chance for the means of support. How comfortable to be turned off with such an alternative!

The gentleman said the law allowed all the creditors of the Government to get specie for their demands: but was any such offer made to the States? No such thing. They could not get a single dollar. The creditor may refuse payment in paper! yes: and is the poor laborer, when paper or nothing is his alternative, to say, "I refuse to receive paper," and to let his family starve while he stands on the law of 1836? What was this but adding insult to injury? Was it not a mockery of the public distresses? And was it not the duty of this House to ask the Secretary of the Treasury on what principle it was that he exercised this discretionary power? He had put the inquiry in order that when they got the reply, they might act in such a manner as the dignity of that House should require.

Mr. McKAY. He says that no such offer was made to the States. True; and for a very good reason, that no debt is due to the States. It is only a transfer of the surplus revenue from one part of the Treasury to another: from the strong-box here to the strong-boxes in other places. But here is a better answer. Here is the same identical offer made to the States. Here is the copy of a circular from the Secretary which I will read to the House. [Mr. McK. here quoted an extract declaring that no one of the States was required to accept her quota in any money which was not at par, and which she would not be willing so to credit in account.]

As to the remark of the gentleman, that I conceded the publication of the Secretary's letter was not prudent, I only meant it so far as his own reputation was concerned: as it offered an oppertunity for gentlemen to misinterpret it in the way which has now been done. The letter says nothing more than the law of 1836.

Mr. BIDDLE. It perhaps would not altogether become me to engage in a struggle with the venerable gentleman from North Carolina. [A laugh. Probably at the term venerable applied to so young a man.] I only ask the House to compare this circular to the States, with the circular to us. Is there any thing in the letter to us about the embarrassments of the country? Not a word. The States indeed are told they need not accept paper, save at par: but we are told that we shall touch the specie. The States, if they refused paper, might be put off indefinitely, but our pay was to be in hard cash. This is the result of the comparison.

Mr. McKAY called for the reading of the whole circular to the States; and it was read accordingly.

The resolution, as modified, was then agreed to.

Mr. BELL, of Tennessee, offered the following resolution; which lies for consideration one day:

Resolved, That the Secretary of the Treasury be directed, with as little delay as possible, to communicate to this House the amount of the appropriations of the past and present year remaining unexpended: the amount required

to fulfil all existing engagements contracted prior to the 1st day of June last, and all existing engagements contracted since that time. Also, the amount of moneys drawn from the Treasury and placed in the hands of disbursing officers or agents on the 1st day of May last, and at the present time. And that he also report what objects of public expenditure can, with the least injury to the public service, be either wholly dispensed with during the present year, or have any material reduction.

The House then, on motion of Mr. CAMBRELENG, went into Committee of the Whole on the President's message.

REFERENCE OF THE MESSAGE AND REPORT.

On motion of Mr. CAMBRELENG, the message of the President to Congress was then taken up, and referred to a Committee of the Whole on the state of the Union; and on motion of the same gentleman, the House went thereon into committee, Mr. J. Q. Adams in the chair.

The message being taken up in committee—

Mr. CAMBRELENG introduced two resolutions, as follow:

1. *Resolved*, That so much of the President's message as relates to the finances of the country, be referred to the Committee of Ways and Means.

2. *Resolved*, That so much of the President's message as relates to a bankrupt law, be referred to the Committee on the Judiciary.

The two resolutions were severally agreed to *nem. dis.*; when, on motion of Mr. CAMBRELENG, the committee rose and reported them to the House, and they were both severally concurred in.

Mr. CAMBRELENG then submitted the following resolution:

Resolved, That so much of the report of the Secretary of the Treasury on the state of the finances, as relates to the finances of the country, be referred to the Committee of Ways and Means; and that so much of said report as relates to a bankrupt law be referred to the Committee on the Judiciary.

Mr. EWING made an inquiry of the chairman of the Committee of Ways and Means, whether his motion had any reference to, or was intended to embrace, any proposition for the relief of the merchants, and the extension of their bonds.

Mr. CAMBRELENG replied by stating that the terms he had used in his motion embraced every topic relating to the public finances, and, of course, necessarily and directly involved the question of extending the time of payment of the merchants' bonds. It embraced all the various topics connected with the subject of relief, and it was certainly not Mr. C's intention to suffer so important a proposition as that to escape his attention. He thought it not improbable that the gentleman's views and his own would concur; but he would confine himself then by replying to the gentleman, that it was the design of his motion to embrace that as well as every other topic adverted to on the subject.

Mr. EWING then moved to strike out the words "the Committee of Ways and Means," and insert in lieu thereof the following: "A select committee, with power to inquire into existing laws, in connexion with orders and regulations adopted by the Treasury, War, and Post Office Departments, which now tends to prolong the embarrassments of the people, and extend injurious influences through the political, as well as the agricultural, commercial, and manufacturing interests of the Union; and to provide such judicious restraints upon the abuses of Executive power, conferred by legislation, in relation to the currency, revenue, and patronage hereafter, as may be deemed proper to afford permanent and general relief: said committee to consist of one member of each State, appointed by a vote of the House."

After a few remarks in support of the amendment by Mr. E. it was rejected, and the original resolution was agreed to.

BUSINESS FOR THE SESSION.

Mr. F. O. J. SMITH, of Maine, rose, and said that he wished to ascertain the sense of the House as to what was to be the business of the session before it; and asked leave to introduce a resolution which he held in his hand. Leave was given, and the following resolution was introduced:

"*Resolved*, That the action of the several standing committees of this House, on all matters not embraced by the message of the President of the United States to the two Houses of Congress, communicated on the second day of the current session, be suspended until the commencement of the annual session of Congress in December next, and that the consideration of all petitions on such suspended matters be also postponed to the period above specified."

Mr. SMITH referred to some remarks of Mr. Whittlesey, of Ohio, during last week, with regard to the expediency of taking up and considering certain claims during the present session, and opposed to that position the opinion that the session should be devoted to the special purpose for which it was called, and that alone. It could hardly be expected that any other business than that marked out in the message of the President, and the report of the Secretary of the Treasury, could possibly be matured during the extra session of Congress; and it was to be remarked, that the President had studiously refrained from advising Congress as to the usual matters of general legislation; of course, the usual data, estimates, &c. were not at hand, as the basis of such legislation; and if the House determined to go into a variety of business, it would become necessary to call on the President for further and more extended information; a course which, he presumed, no member would seriously advocate. As to private claims, for which the gentleman from Ohio had ever manifested a most laudable regard, he was of opinion that the claimants themselves could hardly expect that, called for such purposes as this session has been, private matters can claim much of its time. There was certainly not time to consider all the business of that character which would come before the House, and none should have precedence. He thougt it better for the country, situated as it is at present, to understand that Congress, especially the popular branch, was awaiting the action of the two great committees [the Ways and Means, and Judiciary] upon the important matters committed to them, and to confine their consideration to the subject of their reports exclusively. The responsibility of delay was great, and rested on each member alike. The anxiety of their constituents was as great, for the result of their deliberations; and he thought it even better that the country at large should know that nothing at all could be done at the present session for its relief, (if such indeed is the dilemma in which Congress were placed) than to protract the session, by keeping public expectation needlessly on the stretch, without ultimately gratifying it.

Mr. WHITTLESEY, of Ohio, showed that there was a standing rule of the House fixing certain business as the order of that body, and he conceived that Mr. Smith's resolution not only does not consist with, but does not amend that rule, or do away its effect. He considered it no objection to the course he had indicated, on a former occasion, as that for the House to pursue during the present session, that the President had not recommended it in his message; for it was not customary to allude to the class of business referred to in that document. It was the business of the House to inquire into the expediency of such legislation, and if, in their judgment, it were necessary, the proper estimates would doubtless be forthcoming from the Executive. He considered that such should be the course of the House, even though the session should

not endure six weeks; for there were many claimants who were actually at the mercy of those from whom, upon their credit as employees of the Government, they obtained their subsistence, in consequence of the usual late period at which the appropriation bills were passed. In either aspect, as to the interests of the claimants, or to those of the public, he deemed immediate legislation upon these subjects absolutely necessary.

Mr. WILLIAMS, of North Carolina, moved to postpone the resolution until Wednesday; declaring that he did not think the House was at that moment prepared to act upon it.

Mr. BELL was willing to vote for the motion of Mr. WILLIAMS, did he think that the Committees of Ways and Means and Judiciary would probably report in the mean time. He did not—no one could—doubt that there was enough of importance in the message and report, referred to the appropriate committees, to occupy all the time of the session, if it could once be gotten fairly before that body. The desire to make the proper references of those documents had prevented him from making any remarks upon their subject-matter when first presented; but he could not now avoid inquiring of the gentleman from New York, who sat behind him, [Mr. CAMBRELENG,] or any other member in the secret, as to what course was likely to be pursued in reference to the important topics touched upon in the most extraordinary message which had been committed to the Ways and Means. He viewed the project set forth in that document as most extraordinary, and such as no administration and no majority in that House could possibly undertake, with seriousness, to bring forward and support, in such a shape, and at such a time. The majority dare not uge it seriously upon the country. It was a project obviously impracticable, and must be rejected as surely as it should be urged upon the House by the Committee of Ways and Means. If it were brought forward by that committee, he conceived that the session would be a very short one, and that members might soon be on their way home again. But, on the other hand, if a modified proposition were to be recommended for the relief of the country from its present state of deep distress and embarrassment, he thought every member would agree that it was far better to proceed at once, and exclusively, to its consideration. Before he could give an understanding vote, then, upon the motion pending, Mr. BELL declared that he must be informed of the intentions of the committee in this respect.

Mr. CAMBRELENG replied. The gentleman from Tennessee had called on him for information as to what course the Committee of Ways and Means would pursue in relation to the subjects referred to them. Though not strictly in order, he would say a word in relpy. Yet he could do no more than answer for himself, and express his own opinion that the action of that committee would be prompt and immediate upon the President's message, and that there was no room for doubt, in his mind, that that action would be such as to meet with the support of the House. He hoped that the House would determine to confine its action to the substantive propositions laid down in the message and Secretary's report. In the mean time, he had but a word to say in regard to some other topics touched upon by gentlemen in the course of this debate. He said he was willing to meet these topics in the committee, in the House, or before the country; and hoped that gentlemen in opposition would be equally bold and frank with the President of the United States in declaring their opinions. He invited them to come forward with their views. As they disliked non-committalism so much, it was for them, consistently, to offer their propositions in relation to the present state of affairs in the country. They were invited to take up "the glove" he now threw them, and show their ground of intended action. Perhaps they were not now ready to bring forward their favorite project of a new national bank, thinking, doubtless, that such a proposition were more prudently postponed until after the fall elections. Yet that was to be the final issue between them and the administration, he doubted not—the issue whether the Treasury should be dissevered from all connexion with banking institutions.

In fine, Mr. C. remarked that it was now for the House to say whether or not the session should endure longer than three or four weeks.

Mr. BELL avowed that he, certainly, had taken his seat in this extra session of the House with no favoring project of the kind intimated by the gentleman from New York, [Mr. CAMBRELENG,] nor any other project. Even before he had left home he had had occasion to say to his constituents, in view of his duties here, that it would not be in the power of any institution which Congress could charter to relieve the country from its present embarrassments. If other gentlemen have such projects, he doubted not that they would bring them forward, without such peremptory challenge as had been addressed to them by the chairman of the Committee of Ways and Means. For himself, he was ready to aid any man or men in any practicable measure for the bringing this relief, whether the authors of such measure were his own political friends or the coadjutors of the administration, and earnestly hoped that such measures would be offered.

Mr. WISE remarked that the opportunity of discussing this subject had been passed by in Committee of the Whole, where there was a chance of freedom of debate, and had been started in the House, where, at any moment, at the nod of the chairman of Ways and Means, a stop could be put to it by the previous question. But still he would say a word upon it, as he had the floor. He demanded what kind of challenge was that which had been thrown out by the gentleman from New York, occupying the station he did? What should have been, he asked, the language of that gentleman to the opposition, situated as parties are in that House? Gentlemen, come up to our help; this is our plan, our projet; we deem it the best for the country in its present predicament, and we ask your aid in effecting it. But, instead of this, what have we had? A challenge! "A glove" thrown down! And to whom? A powerless minority! Sir, (said Mr. W.) you have the power. You can, if you will, carry out your own measure, whatever it may be. You have given us a plan which we can understand. It is before us; there it stands, bone, sinew, and muscle; and, in proper time, I, for one, shall attempt to give my opinion of that plan. It is one which I have told my constituents, and which I firmly believe can never be seriously intended by its projectors to be carried out. It is an *ad captandum* project, and perhaps intended as as a ruse, to entrap the opposition into bringing forward some such measure as a national bank. If so, the author of it will find himself mistaken in his calculations. As far as he (Mr. W.) knew, there was no such plan, and no other plan in projection by the opposition. You, (continued he,) you are wise, and doubtless "wisdom will die with you." Then give us your plan. Let us see your project!

Sir, (continued Mr. W.) there is no danger that ultimately, and that not late, reform will reach the administration of this Government. The great reformer, public opinion, that paramount relief-giver, is already abroad, scourge in hand. In due time this Hercules will come up to the relief of the country, and the remedy of its abuses. But to this session of Congress he did not look for this relief or this remedy; for it had now become clear that this Congress was to do——nothing! And this reminded him of, and enforced upon his convictions, the startling fact, already often animadverted upon, that, from the very moment the President of the United States possessed himself of the custody of the public Treasury, Congress had degenerated into a mere ratifier of the Executive will. For two sessions of that branch of the Government, this had been notorious-

ly the case, through all the Executive vacillation with regard to the bank, the deposites, the pet bank system, &c.; and now, again, is it called on to ratify the *sic volo* of the Executive. This system, it is hoped, by the party in power, is still to go on, and perhaps such would be the case for the present. In the mean time, he, like his friend from Tennessee, [Mr. Bell,] should await the day and hour when the President, by his organ here, will give us his plan, his system; and, if he liked it, he should cheerfully vote for its adoption—if not, he should avail himself of any opportunity that might offer to give his reasons why.

Mr. SMITH, of Maine, remarked, that his object in introducing the resolution under debate was to prevent the course of business which it would doubtless take to-morrow, but for some preventive action of the House. Petitions upon the abolition question, and upon Texian affairs, and other matters, would doubtless be brought forward, leading to exciting discussion, and implicating the House in such debates as would prevent the House from bringing its responsibility to the country to bear directly upon the single great and important point which was the sole object of the session. If, however, the box of Pandora were destined to be thrown open, he was prepared to meet whatever the sense of the House should indicate as the proper course of business to be pursued. But he avowed that it was under other expectations he had come there, and he wished ardently to present this simple question to the House, as the sole object of the resolution he had introduced—whether they would put a present stop to all others than the great quarrel which was now agitating the country? The House had been told of the operation of "party" in this matter; that "the party in power" have a project, and the opposite none; and that the responsibility rested upon the former, being in majority there. Whether this were or were not so, he hoped that the contest would by no means be postponed or embarrassed; and that all, of every party, would at once and promptly, come up to the question. He conceived that it could not be the work of many days for the Committee of Ways and Means to act on the subjects referred to them; and the interim could hardly be more than enough to permit the arrangement of the necessary rules and orders of the House.

Mr. JENIFER, was of the opinion that some attention might be bestowed to a portion of the private claims actually before Congress, while the measures to be proposed by the committees were maturing. But he expressed himself willing to proceed at once to that more important business whenever the committees shall report, and then to the exclusion of all other topics.

Mr. CUSHING declared himself pleased to hear such frank and open avowals of their plans of proceeding with the important business of the session, as had fallen from the gentleman from New York, [Mr. Cambreleng,] and Maine, [Mr. Smith.] For himself, he had come to his seat, this session, ready to join in any measure of relief to the country, from what quarter soever it might proceed. He was ready to act on such measure dispassionately, according to its merits, and the amount of relief it might propose, be it much or be it little. But he did not come there to do nothing. Nor had he come prepared to listen to a message to Congress, advising that nothing was to be done. He joined with other gentlemen in the hope that some specific proposition would emanate speedily from those to whose hands it had been committed to make such proposition. The President, in his proclamation convening Congress, had assigned "great and extraordinary causes," as the existing motives, inducing him to issue that proclamation. That proclamation had been obeyed, and the proposition of the Executive had been awaited; and the two Houses were in possession of it, as well as of that to which the chairman of the Committee of Ways and Means had avowed himself favorable. That gentleman, in taking the chair of that committee, had assumed the responsibility of proposing the ground of action for that House, in relation to these important matters. What are these objects, as declared in the message? Is the necessity for relief, under which the country so manifestly labors, alluded to in that document? Incidentally, covertly, perhaps, it is alluded to—but not specifically, or in reference to any proposed action of Congress upon the subject. We are scarcely told, said Mr. C., of those exigencies under which the whole land is suffering. We are told, it is true, that the Executive is embarrassed in the collection of the revenue of the country, and in the necessary transfer and payment of the public dues. But the people, and the people's troubles, are not once alluded to.

Mr. C. could not but allude to the memorable declaration of the late Executive upon leaving the chair of State, that "he had left the country peaceful and prosperous;" and that this declaration was made on the 3d day of March last! Now, asked Mr. C., what is the situation of that country, when the immediate successor of that Executive tells us that all we have to do is to provide for the relief of Government from impending serious embarrassments in the management of its financial concerns? It had happened to him (Mr. C.) to have been one of those deputed to carry the usual parting communication from the House to the President of the United States at the close of the session, upon the occasion referred to, and he could not but sympathize with the obvious feeling of self-gratulation with which the Executive expressed the sentiment he had quoted. The next day we were told of the prosperity of the country in the parting address of one President, and the inaugural of the other; and it did then seem to be prosperous. But this seeming proved to have been hollow and delusive. It had been followed by an explosion in the commercial credits of the country, which had been, and still is going on, carrying ruin in its train, and enveloping in that ruin even the Treasury of the country. And now we are asked by the chairman of the Committee of Ways and Means to come forward with our plans of relief, instead of offering the House his own.

Mr. CAMBRELENG here interposed a few words of explanation. He had not declared that he had no plan to offer; on the contrary, he had his own ideas on the subject, and professed to agree with the President's opinion as declared in the message, that the general affairs of the country were those with which Congress had alone to deal at its present session.

Mr. CUSHING had before understood the gentleman as he now understood him. It was a mere temporary relief for the present embarrassment of the Treasury—for three, perhaps for six months—that was shadowed forth as the probable recommendation of the committee. No more than before, had this amendment of the gentleman's observations contained any reference to the general relief of the country in all its relations. There was, to be sure, a suggestion of "a paper money provision" for carrying on the financial affairs of the country, temporarily, and for the extension of payments of bonds at the custom-houses. Mr. C. was ready to welcome any thing savoring in the least of relief, as far as it should go; but he asked for more than had been suggested. The extension of bonds would prove a beneficial measure to the mercantile interests of the country, but so would it also eventually prove to the Government—to the Treasury. All that is proposed for relieving this temporary embarrassment of the Treasury, the Treasury could itself have done. This specific object would not have seemed to him an adequate cause for convening Congress. It was the permanent advantages and benefits to be derived from legislation, which he had anticipated would result from that session. If the administration, however, should virtually say that it proposes nothing—undertakes nothing, but the building up of sub-treas-

ury systems, extending custom-house bonds, and withholding the fourth instalment of the surplus revenue distribution from the States, he, for one, was ready to go back to his constituents at once. Our people, he remarked, are asking us for bread, and we proposed to offer them a stone! We are told by the Executive that we should not, as we are apt to do, "expect too much from the Government!" And we do not expect much from an administration that professes to "tread in the footsteps of Andrew Jackson;" but we do expect that they who have brought us hither shall lift a hand in aid of encouragement of others to do something for the general relief of a distressed country. Mr. C. understood the peculiarly advantageous attitude in which the President stood in relation to this subject. He calls on Congress to do certain specific things: knowing full well that Congress, as at present constituted, cannot comply, and that they are not prepared to put their stamp of approval on the disorganizing and dangerous recommendations of his message. Knowing this, how stand matters? Precisely, said Mr. C., in 1837-'38 as they stood in 1833-'34. President Jackson then removed the deposites and placed them where he chose, thus leaving the public treasure in the possession of the Executive, in the event of Congress doing nothing in relation to it. And suppose that nothing is now done in regard to the recommendations of the message; then who doubts that this sub-Treasury system will be the system—the policy of the administration? That system exists now, *de facto*, and will continue most probably.

Mr. DUNCAN said he did not rise for the purpose of wasting the time of the House, but he felt himself bound to do his part towards sustaining the present resolution; for he considered it one of great importance to the people and to the Government. To the people, because its adoption was calculated to bring the session to a speedy close, and thereby save a vast expense that the country was illy able to incur at this time. To the Government, because it would receive the immediate benefit of early legislation on the weighty and important matters that had rendered it necessary to convene Congress at this unusual season. Mr. D. said he came here entertaining very different views from some gentlemen who had addressed the House on this and some other propositions. He came for the purpose of relieving the Government, or the Treasury thereof, from the embarrassments produced by the suspension of specie payments by the banks, and to afford such relief to other interests in the country as may be found within the power of Congress. In the language of the President's message, "The act of the 23d June, 1836, regulating the deposites or the public money, and directing the employment of District, State, and Territorial banks, for that purpose, made it the duty of the Secretary of the Treasury to discontinue the use of such of them as should at any time refuse to redeem their notes in specie, and to substitute other banks, provided a sufficient number could be obtained to receive the public deposites upon the same terms and conditions therein prescribed. But a state of things has occurred which the wisdom of Congress had not anticipated. The wholesome provisions of the act for the security of the public revenue, and regulation of the deposites, was at once defeated by the act of the banks all suspending payment at or about the same time. The collection of the revenue which, under such a state of things, must, of necessity, be in nothing but gold or silver, became extremely difficult—so much so that the Executive had found it necessary to give indulgence on duty bonds. Nor was the collection more difficult than the safe keeping and transmission to places to be used when collected.

"Owing to the diminution of the revenue, in consequence of this general suspension and embarrassment of the country, it has become a question whether it is proper or not to deposite with the States the fourth instalment of the surplus of last spring, according to the provisions of said act, which, if deposited, would require of the Government to contract a loan equal to the amount of said instalment." These, said Mr. D., are a part of the great and weighty matters that superinduced the call of Congress at this unusual time, and it seemed, in his humble opinion, that the occasion justified the end; and it was, if possible, to remedy these evils, that they were convened. But gentlemen seemed to think otherwise, and talked of every thing but the real object. Some talked as though they had come there to vote money into the pockets of the distressed people. A very humane object! laudable indeed! He went in for the people. But did gentlemen reflect that they must first vote it out of their pockets?—a policy by which the States have been enriched by the deposites! Other gentlemen, one would think, came expressly to abuse the administration and the democratic party. He asked what words in the English vocabulary had been more used, and were more common in the mouths of such, since they had assembled, than "Executive patronage," "Executive corruption of the people and of the press," "Executive influence over the majority in this House," "misrule," "pet banks," "humbug," and "slavish and blind attachment;" and all these poured forth with all the vindictiveness and malignity of party rancor. It seemed to him that resolution after resolution, without meaning and without sense, had been introduced merely for the purpose of giving gentlemen an opportunity, or affording an excuse, to make a speech abusing the administration with these opprobrious terms. He said it was not necessary to come there, at so vast a public expense, to hear the party in power (placed there, too, by a majority of the freemen of the nation) abused day after day with these terms, and in this kind of language. They could hear such stuff at home from every poor, lean, lank, and corrupted stipendiary, that fed upon the crumbs which fell from the table of the banks—and they might read the same kind of billingsgate—as elegant in every particular—in the filthiest sheets of any country editor who had been bought with gold. One gentleman told them that the people had been humbugged for the last ten years. Pray, sir, how have the people been humbugged? He supposed by General Jackson and his administration? What had been the leading measures of that administration to which gentlemen have alluded as the means of humbugging the people? Were they its efforts to prevent the public money from being squandered, in the construction of unconstitutional and worse than worthless internal improvements, projected for the purpose of carrying certain distinguished gentlemen into office, such as the veto on the Maysville road bill? Was it the official course against the recharter of the United States Bank? Was it the hostility to the continuation of exorbitant duties, miscalled "the great American system?"

These he had understood to be the great sins of the first term of the late administration. How was the President sustained? To deprecate those measures at this day was to assail directly the intelligence of the people, to denounce their honesty, and was no less than a direct charge that they had humbugged themselves. The recharter of the bank was the question in 1832, in which all questions of a party or political character were merged. General Jackson had vetoed the bill to recharter that institution on the 4th of July next preceding the election. The question was fairly presented to the American people, and they were all attention to the subject. Bank documents and panic speeches flew through the country as thick as leaves in autumn. The merits and demerits, the advantages and disadvantages, the constitutionality and unconstitutionality of the bank, were proclaimed from the stump, the stand, the pulpit, and in the columns of the press. The people heard, read, reasoned, and judged for themselves. To say they were not prepared to act on that important question, is to

assume the high-toned federal doctrine that they are incapable of being prepared. But they were prepared, and did decide through the ballot-boxes. The result of that decision was the re-election of General Jackson to the presidency, and the prostration of the bank. This was all the work of the people.

What next? During his second term of service, he committed in the estimation of gentlemen the still greater sin of removing the "deposites" from the Bank of the United States. And in that again, the people humbugged themselves, by sustaining the measure, notwithstanding the notes of panic were raised, and solemnly as the tune of old hundred mournfully sung throughout the land. That was not all: the foolish people still continue to humbug themselves. They had recently elected Martin Van Buren to the Chief Magistracy, who stood openly and avowedly pledged, by practice, by his professions, and upon principle, to sustain the same policy and great leading measures that had distinguished the administration of his illustrious predecessor. Sir, his election was predicated upon that very pledge. And now, notwithstanding the land is filled with federal mourning and crocodile whimpering, the great body of the people are unmoved. But in all this, according to the opinion of gentlemen, they were still humbugged. Agreed: be it so. It was the people's work, and he (Mr. D.) had implicit confidence in their judgment and their honesty. There was a certain party who think otherwise—who believe that the common people could be better ruled by those that are a little ucommon than by themselves. Some of the democratic members of this House had been asked if they were "not chafed"—"if they were not unwilling to draw longer in the old team." Mr. D. said, freemen never permitted themselves to be trained; the democracy required no harnessing; their principles were natural to them; and all that was wanting to apply them to the best practical purposes, in a political sense, was independence and a love of liberty: and, thank God, they had both. The same principles, and the same maxims, had governed the democratic party from the commencement of the Government to this time; and they had always been known by one name. This would always continue to be the case, for the simple reason that their principles have their foundation in nature, and formed a part of the natural laws that governed freedom. But, he said, how was it with the party to which the gentleman belonged who had made this degrading inquiry? Had they borne the same name ever since they existed as a party? Had they been governed by the same open and avowed principles; and were they composed of one entire body, governed by those principles? If so, why was it that they had changed their name with the return of almost every annual election, and their policy and principles, when necessary, to secure such elections? But there was a sign by which they and their principles might always be known, and it was their universal and uncompromising hostility to, and personal abuse of, the democratic party, its men, and its measures. So far as his experience went, the inquiry of the gentleman or his party was in bad time. He would ask, in return, of what was the gentleman's party composed? Was it not of the odds and ends of the factions and fractions of all parties and all opinions? What kind of disciplining was necessary to keep such a party together, and to secure their united strength? It was well known that there were factions and malcontents under various names, and disposed to be governed by different principles. When such factions spring up, they are put to the off wheel. If there is any disposition to back, they are held by the breeching—if disposed to be restive and run forward, a taut rein restrains them. In the absence of a disposition to pull true, or, as the Dutch teamster expresses it, "if they take the stud," the timely application of the lash makes all right. A discipline of this kind soon fits them for the single line: a few such lessons prepares them soon to go without any line at all. "Pet banks," the "experiment" and its "currency." How often had these terms been thrown at the administration, and its supporters in the most taunting tones of insult from the first day of this session? He had been provoked (new and inexperienced as he was in the science of Congressional legislation) to inquire of gentlemen who indulged in their tirades, whose pets the local banks were? If gentlemen meant to throw them on the administration, on the domocratic party, as their pets, he repelled the charge as false and unfounded, and as a base slander against the party in power; and to sustain him, needed but an exposition of their principles. Hostility to banks, banking institutions, monopolies, and exclusive privileges, were watchwords with the democracy; and to oppose them in every shape that the interests of the country would permit, was a paramount duty. Let them examine the facts in relation to the local banks, and it would not be difficult to decide with which party to place them, or who were their creators. Let the petitions in the archives of the State Governments be examined. They would there find that two-thirds of all the signers to all the petitions for local banks were, and ever would be, opposed to the present administration. Examine the stock books of the banks, and they would find that two-thirds, or more, of the stock was owned by enemies of the democracy. Examine the institutions in a political aspect, and they would find that two-thirds of the directors and officers that control them, were the inveterate enemies of the democracy. Lastly. Examine the internal and secret operations of those institutions, and it would be found that two-thirds of all the loans were made to enemies of the administration. Why, then, were they called pets of the administration? Why a part of its experiment? Why were the filthy and deceitful rags of such a creation and parentage called the currency of the administration?—when it was well known that, from the commencement to the last official act of his administration, it was General Jackson's object to establish the constitutional currency—a currency of gold and silver—a currency that was durable, of intrinsic value, and uniform.

The majority of the House had been charged as being under Executive influence, and the people of being corrupted by the same influence: he had little to say, so far as personally concerned; (other members might take care of themselves;) his conduct was before the country; his constituents had that to decide upon; on their judgment he felt disposed to rely, and to treat the accusation, coming as it did, as he did the thousand other slanders that were put afloat with intentions the most corrupt and poisonous, but which carried with them their antidote. As to the people, however, he had something to say; and, by way of retort, he would enumerate the number of presses and their dependants that had been bought, corrupted and subsidized by the Bank of the United States, and the party that wants to get into power. But he asked if the democracy of the country had been corrupted by Executive influence? He said the democracy of the country could make and unmake Presidents when they pleased; they were composed of the farmers and mechanics who obtain their living by the sweat of their brows; who are the supporters of the country in peace, and its defenders in war. What did such men want of Executive patronage? What use could they make of it, and what would it amount to? Why, sir, if the whole amount of it were distributed in equal parts, it would not give each democrat the value of one gill of new whiskey, and he thought a freeman could hardly be purchased with so small a bribe. Sir, the people are out of the reach of Executive influence. They are above any price that the Executive is able to give. They are unpurchaseable—he meant the democracy. Political men sometimes placed themselves in market. When such an individual wishes to place himself under the hammer,

he usually changes his principles, or rather disavows principles that he had professed. Before he can be made the subject of bribery and corruption, he must first divest himself of every principle (and usually of the name) of democracy—a thing, to be sure, sometimes done, but the case was very rare with the true democracy. He had known some wolves in sheep's clothing. Such soon declare themselves. At a time when the black clouds of prophesied pecuniary desolation hung over the country, (he meant the panic era between 1832 and '34,)—when bribery was the order of the day—when he who could bribe highest and corrupt most, stood highest with the enemies of democratic principles; when he who could slander, detract, and calumniate most, was most in favor; when the contents of every reservoir of filth and abomination were emptied upon the administration of their choice, through the filthy sewers and polluted columns of bought presses, he had seen the true democracy stand firm to their principles; they faltered not; they were neither to be bought, sold, bribed, flattered, frightened, nor corrupted. Sir, Executive patronage cannot corrupt such a democracy.

Before he took his seat, he would disabuse Ohio of some portion of the shattered and beggarly garb in which panic and distress gentlemen had attempted to clothe her, in connexion with other States. The gloomy and distressing account which is given here of the pecuniary, desolation, of the commercial ruin, and the individual suffering may be true as to other States and the country generally, but it was not true of Ohio; and he claimed it of gentlemen hereafter, when they undertook to degrade the country, to blast its reputation, and add to the evils of a fraudulent suspension by the banks, by injuring mercantile credit, to confine their observations to their own constituents, where personal interest and local jealousies may give wings to all that may be be said to their prejudice, especially by their own citizens and representatives. He begged of them in all their future tirades, to save and except Ohio, for she never was in a more flourishing condition than at the present time. True, she felt the commercial embarrassments produced by the suspension of specie payments by the banks, and a highly respectable portion of her citizens labored under great inconvenience in consequence of it—particularly those who owed foreign debts. He believed, however, that the inconvenience consisted chiefly in the difficulties attending the exchanges—general confidence was not destroyed. The paper of the local banks in Ohio most men believed would be ultimately redeemed. They reported themselves solvent. He thought their notes were none of them more than ten per cent. below par, and even that, he would admit, was a bad state of things, and one which ought not to exist. But Ohio might thank the foresight of Andrew Jackson, in directing the specie circular, that it was not worse. When the time came, and the opportunity presented itself he should endeavor to exert the influence he possessed for the relief of the commercial interests of his country and constituents. But he repeated, that the true and real interests of Ohio were never in a more prosperous and flourishing condition than at this time. He believed most of the embarrassments under which a portion of her citizens had labored, was in consequence of over-issues by banks, and the speculating mania that had prevailed, and which had led to overtrading and extravagance, in eating and drinking, in costly apparel, and purchases of "paper cities." Such of his constituents as were wise, had seen the necessity of retrenchment and prudence, in these particulars, and to relieve themselves, had turned their attention to the plough; and it seemed that Providence, in mercy to their former weakness, extravagance, and folly, had been more than usually bountiful in its favors. Ohio's fields groaned with redundant crops—her barns overflowed with a rich harvest—her soil was still fertile—her mines inexhaustible, and her democracy not ashamed to work them. Her turnpikes at this time are crowded with wagons—her canals with packets—her lakes and rivers with vessels and steamboats, laden with the products of the soil and the fruits of the labors of her yeomanry.

Mr. BOON spoke in favor of the resolution. He could see no propriety in taking up any other subjects than those brought before us by the message.

Mr. LEWIS WILLIAMS, was in favor of continuing the session, after acting upon the subjects prescribed by the President's message. There was no use in going home for a short time. He had moved a postponement with a view to act more understandingly on the subject, after the Committee on Finance had reported.

Mr. HAYNES asked the gentleman from North Carolina to withdraw his motion to postpone, in order to enable the House to take a direct vote upon the subject.

The motion to postpone was rejected.

Mr. GARLAND, of Virginia, moved to rescind the resolution, by inserting "with the exception of private business." There was no reason, he said, why the private bills which had been hanging here for years, should not be acted on, in the intervals of time, when the House was not otherwise employed. The amendment was lost.

Mr. WILLIAMS, of North Carolina, asked the yeas and nays on the original resolution; referred.

The resolution was agreed to, by a large majority, and the House adjourned.

TUESDAY, SEPTEMBER 12.

FOURTH INSTALMENT BILL.

Mr. CAMBRELENG, on leave, from the Committee of Ways and Means, reported the following bill:

A bill to postpone the fourth instalment of deposite with the States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the transfer of the fourth instalment of deposites directed to be made with the States under the the thirteenth section of the act of June 23, 1836, be, and the same is hereby, postponed until further provision by law.

Mr. CAMBRELENG would merely mention, he said, for the information of the House, that that was the only bill the committee could agree upon at this morning's session. There would, probably, be two other bills requiring the most urgent action of the House to-morrow morning.

The above bill was then, on motion of Mr. C., read twice and referred to a Committee of the Whole on the state of the Union.

ELECTION OF CHAPLAIN.

The House then, on motion of Mr. GARLAND, of Virginia, went into the election of a Chaplain.

Mr. GARLAND, of Va., nominated Rev. Mr. Tuston.
Mr. McKIM nominated the Rev Mr. Reese.
Mr. HOLT nominated the Rev. Mr. Fisk.
Mr. BRONSON nominated the Rev Mr. McCallam.
Mr. TAYLOR, of N. Y., nominated Rev. Mr. Comstock.
Mr. WAGENER nominated the Rev. Mr. Ebaugh.
Mr. EVERETT nominated the Rev. Mr. Adams.

The result of the ballotings was as follows:

	First Ballot.	*Second Ballot*
Whole number of votes	205	203
Necessary to a choice	103	101
Mr. Tuston	94	135
Reese	25	7
Fisk	29	31
McCallam	12	5
Comstock	10	3
Ebaugh	16	11
Adams	10	7
Blanks	9	4

So the Rev. Mr. Tuston was declared to be duly elected.

After the reception of sundry resolutions and memorials, The House adjourned.

Wednesday, September 13.

The SPEAKER stated, that having considered the extent of the resolution adopted by the House on Monday, touching the course of its business, and compared it with the 16th rule of order, which requires the calling for petitions, he had been constrained to come to the conclusion that it was his duty, under that rule, to call the House, by States, for petitions; but that, if any should be presented which had no immediate relation to the special subjects recommended in the President's message to the attention of Congress, at its present session, the House could enter into no action concerning them, but that they must, as of course, lie on the table until the period of the regular session on the first Monday of December next.

Under this decision, the States were thereupon called on for petitions, and a very few were presented which had no reference to the currency; while a number were offered which did relate to that subject, and the prayer of which was either in favor of, or adverse to, the establishment of a national bank; and which were referred to the Committee of Ways and Means; several of them were ordered to be printed.

PROPOSED ISSUE OF TREASURY NOTES.

Mr. CAMBRELENG, from the Committee of Ways and Means, reported the following bill:

A BILL to authorize the issuing of Treasury Notes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, authorized to cause Treasury notes, not bearing interest, for such sum or sums as he may think expedient, but not exceeding, in the whole amount of notes issued he sum of twelve millions of dollars, and of denominations, not less than one hundred dollars for any one note, to be prepared, signed, and issued in the manner hereinafter provided.

Sec.—. *And be it further enacted*, That the said Treasury notes authorized to be issued by the first section of this act shall be reimbursed and redeemed by the United States at the Treasury thereof, after the expiration of one year from the dates of the said notes respectively. The reimbursement herein provided for, shall be made at the Treasury of the United States, to the holders of the said notes respectively, upon presentment; and in case of presentment and non-payment of said notes after they become due, the holder or holders shall be entitled to receive interest at the rate of five per cent. per annum from the date of demand of payment; and for this reimbursement, according to the provisions of this act, the faith of the United States is hereby solemnly pledged.

Sec.—. *And be it further enacted*, That the said Treasury notes shall be prepared under the direction of the Secretary of the Treasury, and shall be respectively signed, on behalf of the United States, by the Treasurer thereof, and countersigned by the Register of the Treasury; and that those officers respectively shall, as checks upon each other, and to secure the public safety, keep separate, full, and accurate accounts of the number, date, denomination and amount of all the notes signed and countersigned by them respectively, which said accounts shall be carefully preserved and placed on file in the Treasury Department; and also similar accounts, kept and preserved in the same manner, of all the said notes redeemed, as the same shall be returned and cancelled; and the Treasurer shall further account, quarterly, for all such notes delivered to him for signature or issue by the Register. The Treasurer and Register of the Treasury are hereby authorized, by and with the consent and approbation of the Secretary of the Treasury, to employ such additional temporary clerks as the duties enjoined upon them by this section may render necessary, the compensation of each clerk so employed to be fixed by the Secretary.

Sec.—. *And be it further enacted*, That the Secretary of the Treasury be, and he is hereby, authorized, with the approbation of the President of the United States, to cause to be issued such portion of the said Treasury notes as the President may think expedient, in payment of debts due by the United States to such public creditors, or other persons, as may choose to receive such notes in payment as aforesaid, at par.

Sec.—. *And be it further enacted*, That the said Treasury notes shall be issued payable to order or bearer, as the said Secretary, with the approbation of the President, shall direct; and shall be transferable by delivery, if made payable to bearer, and by the endorsement of the original payee if made payable to order, without other or further assignment or evidence of a transfer of property.

Sec.—. *And be it further enacted*, That the said Treasury notes shall be every where received in payment of all dues and taxes laid by the authority of the United States; of all public lands sold by the said authority, and of all debts due to the United States of any character whatsoever. And on every such payment credit shall be given for the amount of the principal and interest, if any should accrue under the provisions of this act, which, on the day of such payment, may be due on the note or notes thus given in payment.

Sec.—*And be it further enacted*, That the Secretary of the Treasury be, and he is hereby, authorized and directed to cause to be reimbursed and paid the principal and interest of the Treasury notes which may be issued by virtue of this act, at the several time and times when the same, according to the provisions of this act, should be thus reimbursed and paid. And the said Secretary is further authorized to make purchases of the said notes at a price not exceeding par, for the amount of the principal and interest due at the time of purchase on such notes; and so much of any moneys in the Treasury, not otherwise appropriated, as may be necessary for that purpose, is hereby appropriated for paying the principal and interest of said notes.

Sec.—. *And be it further enacted*, That a sum of—— thousand dollars, to be paid out of any moneys in the Treasury not otherwise appropriated, be, and the same is hereby, appropriated, for defraying the expense of preparing, engraving, signing, and all other expenses incident to the issuing of the Treasury notes authorized by this act.

Sec.—. *And be it further enacted*, That if any person shall falsely make, forge, or counterfeit, or cause, or procure to be falsely made, forged, or counterfeited, or willingly aid or assist in falsely making, forging, or counterfeiting, any note, in imitation of, or purporting to be, a Treasury note aforesaid; or shall falsely alter, or cause or procure to be falsely altered, or willingly aid or assist in falsely altering, any Treasury note issued as aforesaid; or shall pass, utter, or publish, or attempt to pass, utter, or publish, as true, any false, forged, or counterfeited note, purporting to be a Treasury note as aforesaid, knowing the same to be falsely forged or counterfeited; or shall pass, utter, or publish, or attempt to pass, utter, or publish, as true, any falsely altered Treasury note, issued as aforesaid, knowing the same to be falsely altered, every such person shall be deemed and adjudged guilty of felony, and, being thereof convicted by due course of law, shall be sentenced to be imprisoned and kept to hard labor for a period not less than three years, nor more than ten years, and be fined in a sum not exceeding five thousand dollars.

Sec.—. If any person shall make or engrave, or cause

or procure to be made or engraved, or shall have in his custody or possession any metallic plate, engraved after the similitude of any plate from which any notes, issued as aforesaid, shall have been printed, with intent to use such plate, or to cause or suffer the same to be used in forging or counterfeiting any of the notes issued as aforesaid; or shall have in his custody or possession any blank note or notes, engraved and printed after the similitude of any notes issued as aforesaid, with intent to use such blanks, or cause or suffer the same to be used in forging or counterfeiting any of the notes issued as aforesaid; or shall have in his custody or possession any paper adapted to the making of notes, and similar to the paper upon which any such notes shall have been issued, with intent to use such paper, or cause or suffer the same to be used in forging or counterfeiting any of the notes issued as aforesaid, every such person, being thereof convicted, by due course of law, shall be sentenced to be imprisoned, and kept to hard labor, for a term not less than three nor more than ten years, and fined in a sum not exceeding five thousand dollars.

Sec.—. *And be it further enacted,* That the Secretary of the Treasury be, and he is hereby, authorized to make and issue, from time to time, such instructions, rules, and regulations, to the several collectors, receivers of public money, depositories, and all others who may be authorized to receive the said Treasury notes on behalf of, and as agents in any capacity for the United States, as to the safe-keeping, disposition, return, and cancelling of the said notes so paid to, and received by them respectively, and as to their accounts and returns to the Department of all such receipts as may seem to him best calculated to promote the public interests and convenience, and to secure the United States and the holders of the said notes against frauds and losses.

Sec. —. *And be it further enacted,* That it shall be, and is hereby made, the duty of the Secretary of the Treasury to cause a statement to be published monthly of the amount of all Treasury notes issued or returned in pursuance of the provisions of this act.

The bill was read twice, and referred to the Committee of the Whole on the state of the Union.

Mr. MERCER, from the special committee on the standing rules of the House, made a report, in part, and the report was ordered to be printed, and made the special order for to-morrow.

THE UNITED STATES, MEXICO, AND TEXAS.

The following resolution, moved yesterday by Mr. ADAMS, coming up in course, was read, viz:

Resolved, That the President of the United States be requested to communicate to this House, so far as may be consistent with the public interest, all the correspondence between the Government of the United States and that of Mexico, concerning the boundary between them, and particularly concerning any proposition for a cession of territory belonging to the Mexican confederation to the United States; and also all correspondence relating thereto between the Department of State and the diplomatic representatives of the United States in Mexico, and of the said Department with those of the Mexican Republic, accredited to the Government of the United States.

Mr. ADAMS observed that, as this was merely a call for information, if no opposition should be made to its adoption, he should content himself with simply asking a vote of the House upon it, without accompanying it with any remarks.

Mr. HOWARD (chairman of the Committee on Foreign Relations) said that, if the gentleman from Massachusetts wished for this correspondence merely that it might be printed and thrown before the House and the country, he should make no opposition to the call; but if it was his intention to move for its reference to a committee, in violation of the plan which had been chalked out by the House for the course of its business at the present session, he should certainly oppose the adoption of the resolution. In the mean while, he hoped to be permitted to add a word or two in reference to the first of the resolutions. He would suggest whether the House, by merely passing a silent vote adopting the resolution, might not find itself to have established a precedent which might hereafter prove very inconvenient. He did not exactly comprehend what the object of the honorable gentleman could be in going back to the old question of our Mexican boundary, now that an intermediate province had been interposed between us and Mexico. No doubt the gentleman had good reasons, which would appear in due time.

Mr. ADAMS said it was not his intention to bring the subject of our relations with Mexico into discussion at this time; but merely to obtain the information called for in the resolution, and have it printed for the use of the House and of the nation. As the gentleman from Maryland had signified that in that case he should make no opposition, to save the time of the House Mr. A. was willing the question should immediately be taken, without debate.

The question was accordingly put, and the resolution agreed to.

The following resolution, also moved yesterday by Mr. ADAMS, was read, viz:

Resolved, That the President of the United States be requested to communicate to this House whether any proposition has been made on the part of the Republic of Texas to the Government of the United States for the annexation of the said Republic of Texas to this Union, and if such proposition has been made, what answer has been returned, and all correspondence which has taken place relating thereto.

Mr. WISE said he should vote against the resolution; his reason was that he was in possession of information from a high source, and on which he could explicitly, positively rely, that the correspondence referred to was not in a condition to be made public, and that it might be injurious to the public interest should it now be disclosed.

Mr. HAYNES suggested to the mover to modify his resolution by the annexation of the ordinary qualifying clause, "if the communication of the same shall, in his opinion, be consistent with the public interest."

Mr. ADAMS. The reason why I did not append a clause of that kind to the resolution is, that I considered the call as referring to a simple matter of fact. He did not conceive that any question could arise whether its communication would be compatible with the public interest: it was a simple inquiry whether any proposition had been made by the Government of Texas on the subject of the annexation of that province to the United States. That the Legislature of Texas had ordered such a communication to be made was a matter of public notoriety, and he wished merely to know whether it had been done. This was one reason why he had not added such a clause as was suggested by the gentleman from Georgia. Another reason was, that he considered the proposition itself, of the proposed annexation, as utterly unconstitutional. Neither the President of the United States, nor this House, nor Congress, had any right to receive or to consider such a proposition. It is a new thing (said Mr. A.) in the history of our nation—a new thing in the history of the world. It is a totally different thing from what has taken place heretofore in cases of the cession of territory to the United States. On the first occasion of such cession, viz: in the case of Louisiana, it was objected to at the time as being contrary to the constitution. So far, indeed, as the mere cession of territory was concerned, it was my opinion, (and you will find that opinion recorded on the journals of the Senate,) that it was within the powers of Congress to form

such a treaty; but in that treaty there was also provisions as to the inhabitants of the ceded territory, which secured to them privileges and advantages, such as I thought the constitution did not authorize the Government of the United States to confer.

Nor was this my opinion only: it was also the opinion of the then President of the United States, as is well known to the world from letters of his written at the time: it was also the opinion of his successor, the then Secretary of State, as avowed by him personally to me: and in consequence I did then introduce a resolution that the rights of citizens of the United States should be secured to the inhabitants of Louisiana by that power which alone could confer those rights, viz: by all the people of the United States. I did propose an amendment to the constitution to effect that object, in the Senate: I was overruled: and notwithstanding the opinion of the President and of the Secretary of State, Congress did carry the treaty into full effect, thereby exercising functions which, in my humble opinion, pertain exclusively to the people of the United States. Now, the case is changed. If, from a response to the first resolution, it should appear that a proposition had been made to the Republic of Mexico to cede a portion of its territory to the United States, and if it had been accepted, and a treaty entered into by virtue of which the inhabitants of the portion thus ceded should enjoy the rights of citizens of this Union, and should be admitted as a State, or as States, then that treaty would come before the House, and the precedents of Louisiana and Florida might be advanced to answer objections which might be urged on constitutional grounds.

But here the case is totally different. This is not the case of a foreign Government ceding territory and stipulating for the emjoyment of certain privileges by its citizens, but where a whole nation has proposed to be admitted to the rights of citizens of this Union. This is totally different from receiving a cession of territory: and I here declare in the face of God, that no power on earth is capable of effecting such a thing, but the people of Texas on the one hand, and the people of the United States on the other. The people of Texas have not conferred on their Legislature the power to make such a proposition. I have read their constitution attentively, and it contains no such power: and there is no such authority in the President of the United States, or in Congress. It is a matter of which the people of the United States alone are competent judges. If such a proposition had been made to the President, the only answer he could have given must be that he had no power to receive it: and if the same proposition had been addressed to Congress, its only answer must have been, we have no power under the constitution to receive it.

These are the reasons why I did not add the restrictive clause often appended to calls for Executive information. I do not admit it to be possible that the President should consider it incompatible with the public interest to answer the call. It is a subject in which the whole people of the United States have a deep, deep, deep interest; it is a question so deep as to involve that of Union itself: for there is a large portion of the people of the United States who would prefer a dissolution of the Union to the act of annexation of Texas.

As to the reason suggested by the gentleman from Virginia, [Mr. Wise,] that there is such a correspondence, but that it is not in a condition to be laid before the public, so far from being a valid reason against this call, it is, on the contrary, an additional reason why it should be made. I demand, in the name of the people of the United States, and in the name of this House, that they know what that correspondence contains, the object of which is to palm on them a whole nation to enjoy their rights, and to take rights away from them. Still, however, if the House prefer that the qualifying clause shall be added to the resolution, it will use its pleasure. I am willing to take the resolution, even with that clause appended; for I desire, above all things, that this whole people should know what disposal is to be made of the whole affair.

Mr. HAYNES now moved to amend the resolution by adding the clause, "if in his opinion, the communication thereof will not be incompatible with the public interest."

Mr. THOMPSON, of South Carolina, said he should vote against the whole resolution, however it might be amended. He referred to the exciting character of the subject, and expressed the opinion that no good could arise from calling for the correspondence referred to, in its present inchoate state. He did not intend to enter at large upon the topics referred to by the gentleman from Massachusetts, but would say a word or two in reply. It would be remembered that some remarks had been made by him last session on the honorable course of that gentleman when Secretary of State, touching our Mexican boundary. The gentleman had then been in favor of a boundary line which would include a large part, if not the whole, of the present province of Texas; it was not then included, however; and yet now the House was told, by the same gentleman, that there existed no power in the Government to get back what was at that time improperly ceded. The position seemed to him to be monstrous. A Government, it seemed, might cede away this province, (though it had, in fact, no more right to cede it than to cede the State of Maine,) but it was not competent to receive back, by treaty, that which it had thus given away.

The gentleman had further said that the Government of Texas had no right to make this proposion to that of this country. The gentleman was a distinguished diplomatist, and Mr. T. felt modest in expressing a difference of opinion on such a question; but it did seem to him to be going very far when a Government proposed to negotiate with us on a certain subject, that we should look into the internal structure of that Government to see whether it was possessed of power to do what it proposed. Such a practice would lead us into infinite difficulty. We must be under the necessity of studying the structure of all foreign Governments—a thing we were not in circumstances to do. The gentleman, in his statement, had omitted one very important fact, viz: that every man in Texas had voted to authorize the Government of that country to make the proposition referred to. So that, if the gentleman did insist on looking behind the official communication of the Texian Government to find its authority for making such an order, he would find that it had the positive instructions of every man in Texas. Those who thought with the gentleman on the Texian question were in the habit of representing the revolution in that country as a mere rebellious scramble for plunder and power, but that the rightful dominion over the Province was still in Mexico, whose right had not been divested. * * *

[Here the Chair interposed, and reminded Mr. Thompson that he was wandering beyond the question before the House.]

Mr. T. said he had been only replying to the gentleman from Massachusetts. However, he should go no farther into the subject; but notified his intention hereafter to move to lay the resolution on the table.

Mr. PICKENS had no objection that this whole question, with all that pertained to it, should go before the American people, and that its issues should be fully considered. His colleague was mistaken as to the existing state of the correspondence called for in the resolution. As a friend to the cause of Texas, and to its annexation also, he was willing the whole should be presented to the public, that at the approaching regular session in December, they might be prepared to go fully into the discussion of the entire subject. He, however, must be permitted to render his thanks to the honorable gentleman from Massachusetts

for the position he had assumed, and for that candor and frankness with which he had taken his position in advance. He wished the attention of the House and of the country to be specially directed to that position; and he desired it to be recollected from what quarter the doctrine had been avowed. The gentleman had said that the people of the United States would prefer disunion—yes, would prefer a dissolution of the Union to the annexation of Texas to the United States.

[Mr. ADAMS. I said a very large proportion of them would.]

Very good. That was still better. He presumed the gentleman had spoken this from his intimate knowledge of the sentiments of that portion of the country which he represented. If such, said Mr. P., is their declaration in advance, we are ready to meet them. Let it be remembered that this language comes from a quarter which lately sang hallelujahs to the Union. I rose chiefly to call the notice of the House to the remarkable issue which has been made, and to the quarter whence it comes. Yes, sir, there are great questions involved in this matter. It is a novel spectacle to see constitutional restriction advocated from that quarter; and I rejoice in it. It is the first time I ever witnessed any thing of the kind.

There are some questions, it seems, which the gentleman considers as constitutional. Now, I hope he will not raise the constitution as an impenetrable shield to cover his own doctrines, and then immediately dash it down again the moment it is claimed as a covering for doctrines advocated in other sections of the Union. It is new doctrine, and I rejoice from my soul to hear it advanced from that quarter.

I again repeat, that from what I have been informed, (and the information comes from the very highest quarter,) the friends of Texas have nothing to fear from an answer to this call. The correspondence referred to is ready to be presented, and I hope and trust the country will be fully prepared to meet the great issue.

Mr. PETRIKIN now moved to lay both the resolution and amendment on the table.

On this motion, Mr. ADAMS demanded the yeas and nays, and, being taken, they stood as follows:

YEAS—Messrs. Atherton, Beatty, Beirne, Bell, Bicknell, Birdsall, Brodhead, Bruyn, Buchanan, William B. Campbell, John Campbell, William B. Carter, Casey, Chaney, Chapman, Cheatham, Cilley, Craig, Crary, Crockett, Cushman, Davee, Deberry, Dromgoole, Duncan, Edwards, Elmore, Farrington, Gallup, James Garland, James Graham, Grantland, Griffin, Hammond, Hopkins, Robert M. T. Hunter, Joseph Johnson, John W. Jones, Legare, James M. Mason, Martin, May, A. McClellan, Miller, Morgan, Samuel W. Morris, Muhlenberg, Noble, Parker, Patton, Paynter, Pennybacker, Petrikin, Plumer, Rhett, Rives, Robertson, Sheffer, Sheplor, Smith, Southgate, Spencer, Stewart, Thompson, Titus, Towns, Turney, Vanderveer, Wagener, Weeks, Thomas T. Whittlesey, Jared W. Williams, Christopher H. Williams—73.

NAYS—Messrs. Adams, Alexander, Heman Allen, John W. Allen, Andrews, Aycrigg, Biddle, Bond, Borden, Briggs, Bronson, Bynum, William B. Calhoun, John Calhoun, Cambreleng, Timothy J. Carter, Chambers, Childs, Clark, Cleveland, Coles, Connor, Corwin, Cranston, Curtis, Cushing, Darlington, Dawson, Davies, Dennis, Dunn, Evans, Everett, Ewing, Fairfield, Richard Fletcher, Fillmore, Foster, Fry, Rice Garland, Goode, William Graham, Grant, Graves, Gray, Grennell, Haley, Hall, Halsted, Hamer, Harlan, Harrison, Harper, Hastings, Hawes, Hawkins, Haynes, Henry, Herod, Hoffman, Holsey, Holt, Howard, Hubley, William H. Hunter, Ingham, Thomas B. Jackson, Jabez Jackson, Jenifer, Henry Johnson, William Cost Johnson, N. Jones, Kemble, Kilgore, Klingensmith, Leadbetter, Lewis, Lincoln, Logan, Arphaxed Loomis, Andrew W. Loomis, Mallory, Marvin, Samson Mason, Maury, Maxwell, McKay, Robert McClellan, McClure, McKim, McKennan, Menefee, Mercer, Milligan, Montgomery, M. Morris, C. Morris, Murray, Naylor, Noyes, Ogle, Owens, Palmer, Parmenter, Patterson, Peck, Phelps, Phillips, Pickens, Pope, Potts, Potter, Prentiss, Rariden, Randolph, Reed, Reily, Rencher, Richardson, Ridgway, Rumsey, Russell, Sawyer, Sergeant, Augustine H. Shepperd, Charles Shepard, Sibley, Slade, Snyder, Stanly, Stratton, Taliaferro, Taylor, Thomas, Tillinghast, Toland, Toucey, Underwood, Vail, Webster, Albert S. White, John White, Elisha Whittlesey, Lewis Williams, Sherrod Williams, Wise, Worthington, Yell, Yorke—149.

So the motion to lay on the table was rejected.

Mr. HOWARD considered the amendment as of little consequence; indeed, he had rather that the resolution should pass without than with it. He should not suffer himself to be drawn into the debate; but he would observe, that if the gentleman from Virginia [Mr. WISE] had in his possession any information going to show that the correspondence called for was not in a condition to see the light, he possessed more knowledge on the subject than Mr. H., for he certainly had no such information; and he must be permitted to say, that he did not think there was any thing in relation to the whole subject which the Government was either afraid or ashamed to exhibit before the House and the nation.

With great respect for the gentleman from Massachusetts, he must take leave to say, that he thought it would have been quite as well if the gentleman had postponed the offering of such a resolution until the President of the U. States had enjoyed a more fitting opportunity of making to the House a communication of his views touching our foreign relations. Yet as the call had been made, he was not disposed to refuse to gratify the gentleman's wishes. He hoped the House would suffer the resolution to pass; and as to the qualifying clause, he considered it as quite immaterial.

Mr. GRENNELL was glad his colleague had presented such a call; and the discussion which the resolution had elicited, made him still more anxious to look into the matter. The House and the nation ought to know the height and depth, the length and breadth, of our involvement in the affairs of this revolted province of Mexico. He should vote in favor of the resolution, and against the restrictive clause. He could not possibly see how it could be incompatible with the public interest to respond to the call. Indeed, he had been astonished at the announcement that a correspondence was actually going on, tending to a monstrous event, which he viewed with dread and horror. * * *

The CHAIR here interposed. The latitude had been allowed unavoidably to the two first speakers; the Chair could not permit it to extend any farther.

Mr. G. cheerfully submitted, and said that he should vote to make the call absolute and unconditional, for our position was novel and alarming; a proposition like that which had been adverted to, threatened to involve not only the interests of the States, but of the nation also; our relations with Mexico, and perhaps with Europe; for it was not to be supposed that the European Governments would view with indifference transactions of this importance. It was called an annexation; and such, indeed, it was; but it was an act which cast in our lot with that of the Texians, and merging our interests with theirs.

The CHAIR here again interposed, and Mr. GRENNELL concluded by insisting that it should not be left at the discretion of the Executive to respond or not, but that the call be made imperative.

Mr. BYNUM regretted that the question had been introduced at this time, and could not conceive what benefi-

cial result could possibly ensue. He should, however, vote for the resolution if the restrictive clause were retained; otherwise he should oppose it. The gentleman from Massachusetts was the very last man in that House who should have brought forward a resolution of this character. It was a direct trespass—a trespass on the Executive power and discretion. The Executive department had the sole jurisdiction over the formation of treaties, to be ratified, it was true, by the Senate. The two gentlemen had presumed too much. They had presumed on conclusions without evidence. There were proprieties and improprieties in a communication of this kind to the House; and, though those gentlemen might take the ground that the Executive had no control over a subject like that which had been referred to, there were others in that House who could not jump so rapidily to conclusions. He did not subscribe to their doctrines, and he did not believe thay had, at this moment, one-twentieth of the American people with them in sentiment. It was very probable a communication of such a correspondence as was called for might thwart importand measures, and jeopard valuable public interests. The gentlemen seemed to assume that the country had already decided against the question of annexation; but they would find themselves mistaken. There was no cause for any great excitement on the subject, and he hoped that, when the subject did come up, they would discuss it coolly and calmly, as became statesmen.

Mr. WISE explained that, since he last spoke, he had obtained further information which induced him to withdraw all opposition to the resolution. The gentleman from Massachusetts had taken several different occasions to discuss the Texian question in advance, and *ex parte;* and those who were opposed to the Texian cause had the advantage of his arguments and of his name. Mr. W. was ready to meet the subject now, or at any other time. He entirely agreed with that gentleman that it was a deep, a very deep, question; one which vitally affected the interests of this Union: but he regretted to hear some of his remarks. He wished to call the attention of nobody to the man who was prepared to weigh the question of union or disunion of the confederacy. For himself, he should stand by the constitution.

Mr. BELL said he did not rise to discuss the resolution in any shape. He trusted that other members would come to the same determination. It was a subject which could not be agitated without a degree of feeling that would cause its discussion, if now indulged in, to supersede the more important and pressing business of the session, even to the overruling of all the orders by which the business of this House was regulated. It must be obvious to gentlemen that, when this subject shall be opened upon that floor, its agitation could not easily be checked. How many had already sprung simultaneously to their feet, at the bare mention of it. And he could not but express his astonishment at the vote which had been given upon the motion to lay this question for a time aside. All subjects discussed there came at once to be matters of interest and attention to the country, and much importance would be attached to every movement upon this subject.

He well knew that many gentlemen deemed this a question paramount in importance to all others. He, himself, attached great consequence to it, and held himself ready, whenever it should be proper to do so, to express his views upon the matter. At present he should use the same forbearance in this respect which he had recommended to others. He was opposed to any further attention to this resolution, at the present time; for, if longer discussed, he anticipated that the debate would attain such a point as to place it beyond the power of a majority of the House to repress it, in time to allow the more pressing business of the session its due share of attention. He begged that one little month might be exclusively devoted to the great projects already on foot, and which are of so much importance to the interests, welfare, perhaps to the liberty of the country. The bill introduced this morning, by the Committee of Ways and Means—does that, he asked, demand no immediate attention? Enough is before the House demanding attention, as involving the most important interests of the country, and he was opposed to the introduction of any thing which was calculated to distract or divide the attention of the House. He therefore moved that the House proceed to the orders of the day.

Mr. ADAMS begged the gentleman from Tennessee to permit some specific action upon the resolution to be had at that time.

The SPEAKER suggested that it would come up in course to-morrow, during the first hour of the sitting.

Mr. ADAMS would, if permitted, prefer that it should be at once acted upon.

Mr. CAMBRELENG said he had intended to move the orders of the day, which he should have done, but that he was unwilling that this matter should come up again tomorrow, as on that day he was in hopes there would be no interruption to the business already assigned for that time. He was, therefore, in favor of the settlement of the subject immediately before the House to-day.

Mr. Bell's motion to go to the orders of the day was lost.

Mr. HOLSEY, of Georgia, gave his hearty concurrence to the views of his friends from North Carolina, who had addressed the House upon the subject before it, [Mr. Bynum.] He was surprised that a proposition like that now under debate should have emanated from the experienced member from Massachusetts, [Mr. Adams,]—a proposition totally at variance, as he conceived, with the constitution, which vests in the President the treaty-making power—and the discretionary power to treat on all subjects of the kind. Why such vestment of discretion, he would ask, if the President were liable to be called on in this manner, peremptorily, to disclose to the House what, in that discretion, he may deem improper to make known? Mr. Holsey gave some parallel cases which might occur, wherein serious injury to the public interests might occur by the establishment of a precedent like that proposed. He was in favor of the usual proviso affixed to resolutions of inquiry; and suggested that that discretion which the constitution vested in the President, and which provision he eulogized as eminently useful in its plan and operation, would yet have the action of both branches of Congress upon it, so that there was no danger of any irresponsible or rash proceeding in the matter. He reiterated his astonishment that the gentleman from Massachusetts, having performed successively all the Executive offices of the Government, and knowing, as he must, intimately, the true relations of the different branches of that Government to each other, should introduce a proposition to make an order upon the President of the United States, in relation to such a subject, in terms so peremptory. Secrecy and despatch, in making treaties with foreign Governments, the great objects in such diplomacy, were contravened by such a resolution. He should vote for his colleague's [Mr. Haynes's] amendment, which he hoped would prevail.

Mr. CUSHING, of Massachussetts, had not risen to debate the question before the House: for he agreed that it would be as injudicious as it was certainly out of order to do so, at that time. He would withhold his views upon the subject till the proper period for expressing them. But he had risen to propound a question to the gentleman from Virginia, [Mr. Wise.] There exists, it had been said, certain secret correspondence on the subject-matter of this resolution—confidential correspondence. Several gentlemen, among whom were two from Georgia, [Messrs. Haynes and Holsey,] had based their assent or dissent

entirely on this hypothetical character of the correspondence between the Executives of Texas and the United States.

Mr. HAYNES rose to explain. If the honorable gentleman from Massachussetts will permit me, he would state his motive for proposing the amendment, to the very extraordinary resolution offered by the honorable member from Massachussetts, [Mr. ADAMS.] A resolution, such as, within his acquaintance with the House, and he had had some experience there, had never, heretofore, been sent to the Executive. He had said, when he offered his amendment, that he hoped it would be accepted as a modification by the mover of the original resolution. He had, also, said that he would not be drawn into a discussion of the merits or demerits of the question involved in that resolution. His substantial motive for offering his amendment, was to conform the resolution to the well-known and long-established courtesy of the House, and not to shield the Executive from proper responsibility. He did not know, until he heard it stated by the honorable member from Virginia, [Mr. WISE,] that any such correspondence as that referred to, had ever taken place. While up, he would ask, by what power has one co-equal and co-ordinate branch of the Government to speak to another in the language of command, such as is used by the gentleman in his resolution, making an absolute and peremptory call upon the Executive? Such was not the language of either House to the other; nor was it the language of the Executive in his communications to either of them; nor of either House to the Executive. What should we think if the President should send us a message commanding us to do a particular thing? He was in favor of pursuing the usual course, and limiting the call as it always had been heretofore limited, and, therefore, hoped his amendment would be adopted by the House.

Mr. CUSHING resumed the floor. He only knew the correspondence in question had been referred to as a secret or confidential correspondence: and the question he had intimated it as his intention to ask of Mr. WISE was one which he admitted he had no right to insist upon, and which that gentleman was of course perfectly free to answer or not. He demanded this only of his courtesy. And he respectfully inquired, through what channel there can have come to the knowledge of a member of the House, what was the substance of a correspondence thus characterized?

Mr. WISE remarked, in reply, that the gentleman from Massachusetts [Mr. CUSHING] was certainly tolerated by courtesy in making the question he had done, and doubted not he would in like manner respect the right he acknowledged himself to possess to refuse to answer that question. If (said Mr. WISE) I can discover from the Secretary of State, or any of his friends, or any of the friends of Texas, in confidence, any secret matter in relation to the political relations existing between the countries, I certainly have a right to do so, and, having done it, am bound to treat the information with respect. In justice, however, to those individuals, he would say, in passing, that none have been guilty of the slightest impropriety or breach of duty in relation to the matter.

Mr. BIDDLE, of Pennsylvania, had endeavored, he said, at various stages of the discussion, to obtain the floor, for the purpose of addressing the House. By a decision of the Chair, restricting the debate to the simple question of inquiry, he had been prevented from doing this until after the general range, permitted in the opening of it, had been restricted. To that decision he acquiesced with the same willingness as that manifested by the gentleman from Virginia, [Mr. WISE,] and, like him, was ready at the proper time to give his views of the subject-matter in debate. As there had been some confusion thrown around the subject, in all its progress, as to the disposition of the question, &c., he felt constrained to express very distinctly the general opinion he entertained on the subject of the annexation of Texas to the Union, and that opinion was the warmest aversion to the proposition.

The SPEAKER remarked that this was somewhat trenching on the rules of the House, and suggested that remarks on the subject-matter of the proposed resolution were not now in order.

Mr. CALHOON, of Kentucky, deemed it his duty to meet every such question boldly, as soon as it presented itself; and expressed an opinion decidedly the reverse of that expressed by the gentleman fron Pennsylvania, [Mr. BIDDLE.]

The SPEAKER interposed the same suggestion as before.

Mr. DAWSON, of Georgia, begged the mover of the resolution to accept the proposed amendment, and was going into the merits of the subject involved in the proposition, when

The SPEAKER again checked the debate as out of order.

Mr. HAYNES's amendment prevailed, and then the resolution of Mr. ADAMS, thus amended, was adopted.

Mr. ADAMS's resolution, offered yesterday, in relation to the Northeastern boundary, was then taken up. It is in these words:

Resolved, That the President of the United States be requested to communicate to this House, so far as the public interest will permit, the correspondence between the Government of the United States and that of Great Britain relating to the Northeastern boundary of the United States, since the message of the late President to the Senate of the United States on the 15th of June, 1836.

Mr. HOWARD, of Maryland, moved to amend the same by adding to it the following: "And all the correspondence which has taken place since that period between the Government of the United States and the Governor of the State of Maine, on the subject of alleged aggressions upon the rights of Maine by the British authorities."

Mr. ADAMS accepted this amendment as a modification of his resolution. And, thus amended, the resolution was adopted.

After transmitting some other unimportant business—

The House adjourned.

THURSDAY, SEPTEMBER 14.

Mr. ADAMS, on the call of the State of Massachusetts, (the States being in the progress of being called for petitions,) presented a memorial from Sherlock S. Gregory, of Rensselaer county, New York, praying, for various reasons therein stated, that Congress would make him an alien. Mr. A. said it might perhaps be doubted whether the petitioner was in his right senses, and possibly he might be called "the New York madman;" but with all the eccentricity manifest in the memorial, he had chosen to present it, because, in his opinion, it called up a great and weighty constitutional question, viz: whether Congress does possess the power to make a citizen an alien. The memorial was in course laid upon the table until the meeting of Congress in December.

EXTENSION OF MERCHANTS' BONDS.

Mr. CAMBRELENG, from the Committee of Ways and Means, reported the following:

A Bill authorizing a further postponement of the payment of duty bonds and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he hereby is, authorized to grant such further extension of credit upon all bonds for duties now outstanding, as shall make the

whole extension of credit upon each bond six months from the time when the original bond became due and payable, making the extension in each case to depend upon the same conditions as to additional security, the payment of interest, and other terms, which have been prescribed by the Treasury Department to the extension of revenue bonds since May last: *Provided*, That nothing herein contained shall be construed to include any existing bonds where the parties to the same have not, since the bonds became payable, given additional security, or made part payment, and are, by the proper officers of the Government, considered insolvent, or unsafe securities for the payment of their bonds.

Sec. 2. *And be it further enacted*, That the additional credit of six months, granted by the first section of this act upon outstanding duty bonds, shall be, upon the same terms and conditions, granted upon all bonds for duties which may be given during the period of one year from and after the first day of October, in the year one thousand eight hundred and thirty-seven.

Sec. 3. *And be it further enacted*, That where the security in any bond which has been, or may hereafter be postponed, is entirely satisfactory, the principal or sureties in the same shall not be disabled from being, in the mean tame, till the period of postponement provided for by this act expires, received as principal or sureties in other bonds for duties, notwithstanding the bond first given may not have been actually paid, discharged, or extended, before, or on the day it fell due: *Provided*, That such principal and sureties shall be found, in all other respects, safe and satisfactory security for the bonds to which they may be proposed as parties.

Sec. 4. *And be it further enacted*, That credit of one, two, and three months shall be allowed on the duty on all merchandise now remaining in the custody of the customs upon which the duties are payable in cash, and that the bonds received for such duties shall be in equal instalments bearing interest at the rate of six per cent. per annum, and in the form and upon the conditions prescribed by existing laws, and by this act: *Provided*, That the said merchandise shall be entered on or before the fifteenth day of October next.

Sec. 5. *And be it further enacted*, That the operation of all prior laws, and parts of laws, so far as inconsistent with this act, be suspended in those particulars in which they may conflict with, or differ from, its provisions, until this act shall cease by its own limitation.

The bill was referred to the Committee of Ways and Means.

RULES AND ORDERS OF THE HOUSE.

The House then took up the report of the select committee on the rules, and the report being read, the following amendments were severally considered and adopted:

1st. Strike out of the 17th rule all after the word "Speaker," in the last clause, and insert—

"Shall dispose of the business on his table in the following order, viz:

"*First*. Messages and other Executive communications.

"*Second*. Messages from the Senate, and amendments proposed by the Senate to bills of the House.

"*Third*. Bills and resolutions from the Senate on their first and second reading, that they be referred to committees and put under way; but if, on being read a second time, no motion be made to commit, they are to be ordered to their third reading, unless objection be made; in which case, if not otherwise ordered by a majority of the House, they are to be laid on the table in the general file of bills on the Speaker's table, to be taken up in their turn.

"*Fourth*. Engrossed bills, and bills from the Senate on their third reading.

"*Fifth*. Bills of the House and from the Senate, on the Speaker's table, on their engrossment, or on being ordered to a third reading, to be taken up and considered in the order of time in which they passed to a second reading.

"The messages, communications, and bills on his table having been disposed of, the Speaker shall then proceed to call the orders of the day."

Amend the 90th rule, by inserting after the words "on what day," "if no motion be made to commit, the question shall be stated on its engrossment; and if it be not ordered to be engrossed on the day of its being reported, it shall be placed in the general file on the Speaker's table, to be taken up in its turn."

2d. Insert in the 21st rule, after the word "proceed," in the ninth and tenth lines, the words "in case any member object."

3d. To insert a new rule after the 21st, to read as follows: "if a member be called to order for words spoken in debate, the person calling him to order shall repeat the words excepted to, and they shall be taken down in writing at the Clerks's table; and no member shall be held to answer, or be subject to the censure of the House, for words spoken in debate, if any other member has spoken, or other business has intervened, after the words spoken, and before exception to them shall have been taken."

4th. Add to the 25th rule the following clauses:

"Every member shall remain uncovered during the sessions of the House;" and "No member or other person shall visit or remain by the Clerk's table while the ayes and noes are calling, or ballots are counting."

5th. From the 26th rule, strike out from the fourth line the word "present," and insert in lieu thereof the following words: "within the bar of the House;" and,

6th. Add to the rule the following clause: "And when any member shall ask leave to vote, the Speaker shall propound to him the question—'Were you within the bar when your name was called?'"

7th. Add to the 28th rule the following clause:

"All motions to excuse a member from voting, shall be made before the House divides, or before the call of the yeas and nays is commenced; and any member requesting to be excused from voting may make a brief verbal statement of the reasons for making such request, and the question shall then be taken without further debate."

8th. In lieu of the 45th rule insert the following:

"Petitions, memorials, and other papers addressed to the House, shall be presented by the Speaker, or by a member in his place; a brief statement of the contents thereof shall be made verbally, by the introducer; they shall not be debated on the day of their being presented, nor on any day assigned by the House for the receipt of petitions after the first thirty days of the session, unless where the House shall direct otherwise, but shall lie on the table, to be taken up in the order in which they were presented."

9th. To insert after the 57th rule the following rules as the 58th and 59th rules:

"Rule 58. At every session of Congress, commencing on the first Monday of December, it shall be the duty of the Committee of Ways and Means, within thirty days after their appointment, to report the general appropriation bills—for the civil and diplomatic expenses of Government; for the army, the navy, and for the Indian department and Indian annuites; or in failure thereof, the reasons of such failure: and general appropriation bills shall be in order in preference to any other bills of a public nature, unless otherwise ordered by a majority of the House.

"Rule 59. No appropriation shall be reported in such general appropriation bills, or be in order as an amendment thereto, for any expenditure not previously authorized by law."

The following amendment was then taken up for consideration.

10th. Add to the thirty-fifth rule the following clause:

"On a motion for the previous question, and prior to the seconding of the same, a call of the House shall be in order; but after a majority shall have seconded such motion, no call shall be in order prior to a decision of the main question."

Mr. ADAMS moved to amend the amendment, by adding thereto the following:

"And the previous question shall be in this form: 'Shall the main question be now put?' It shall only be admitted when demanded by a majority of the members present; and until it is decided, shall preclude all amendment and further debate of the main question, as well as of the pending amendments; and the question shall be taken on the amendments, in order, if amendments be pending, and then on the main question."

After some remarks from Messrs. R. GARLAND, BRIGGS, MERCER, ADAMS, UNDERWOOD, SMITH, and BELL,

Mr. ADAMS modified his amendment so as in substance to embrace, as its first clause, his former amendment, (which was the amendment reported by Mr. MANN, of New York, from the select committee on the same, January 5, 1836,) and then bring in, as a second clause, the amendment of the present committee. [The object of the proposition, as it will be seen, was to take a vote on all pending amendments notwithstanding the call for the previous question.]

The subject was further discussed by Messrs. MERCER, MASON, REED, ADAMS, and UNDERWOOD, in favor of the amendment, and by Messrs. HAMER, and SMITH, in opposition, when—

Mr. UNDERWOOD called for the yeas and nays, which were ordered, and were: Yeas 102, nays 106, as follows:

YEAS—Messrs. Adams, Alexander, Heman Allen, John W. Allen, Aycrigg, Bell, Biddle, Bond, Borden, Briggs, William B. Calhoun, William B. Campbell, J. Campbell, W. B. Carter, Chambers, Cheatham, Childs, Corwin, Craig, Cranston, Crockett, Curtis, Cushing, Darlington, Davies, Deberry, Dunn, Evans, Everett, Ewing, Richard Fletcher, Fillmore, R. Garland, Goode, J. Graham, W. Graham, Graves, Grennell, Griffin, Hall, Halsted, Harlan, Harper, Hastings, Hawes, Henry, Herod, Hoffman, R. M. T. Hunter, Jenifer, W. C. Johnson, Lewis, Lincoln, A. Loomis, Mallory, Marvin, S. Mason, Maury, Maxwell, McKay, McKennan, Menefee, Mercer, Milligan, Matthias Morris, Naylor, Noyes, Ogle, Patterson, Peck, Phillips, Pickens, Pope, Potts, Rariden, Reed, Rencher, Ridgway, Robertson, Rumsey, Russell, Sawyer, Sergeant, Charles Shepard, Sibley, Slade, Southgate, Stanly, Stratton, Taliaferro, Thompson, Tillinghast, Toland, Underwood, Webster, A. S. White, J. White, E. Whittlesey, L. Williams, C. H. Williams, Wise, Yorke—102.

NAYS—Messrs. Anderson, Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Brodhead, Bronson, Bruyn, Buchanan, Cambreleng, Timothy J. Carter, Casey, Chaney, Chapman, Cilley, Claiborne, Clark, Cleveland, Coles, Connor, Crary, Cushman, Dawson, Davee, DeGraff, Dromgoole, Duncan, Edwards, Farrington, Fairfield, I. Fletcher, Foster, Fry, Gallup, James Garland, Glascock, Grantland, Grant, Gray, Haley, Hammond, Hamer, Harrison, Haynes, Holsey, Hopkins, Howard, Hubley, William H. Hunter, Ingham, T. B. Jackson, J. Jackson, J. Johnson, N. Jones, J. W. Jones, Kemble, Kilgore, Klingensmith, Leadbetter, Logan, Arphaxed Loomis, J. M. Mason, Martin, Robert McClellan, Abraham McClellan, McClure, McKim, Miller, Montgomery, Moore, Muhlenburg, Murray, Noble, Owens, Palmer, Parker, Parmenter, Patton, Pennybacker, Petriken, Phelps, Plumer, Pratt, Prentiss, Reily, Rives, Sheffer, Sheplor, Smith, Snyder, Spencer, Stewart, Taylor, Thomas, Titus, Toucey, Turney, Vail, Vanderveer, Wagener, Weeks, J. W. Williams, Worthington, Yell—106.

So the amendment to the amendment was disagreed to and the original amendment of the committee was agreed to—ayes 111, noes not counted.

The following amendment was then taken up:

11th. Add to the 36th rule the following clause:

"All incidental questions of order arising after a motion is made for the previous question, and pending such motion, shall be decided, whether on appeal or otherwise, without debate."

Mr. MERCER said he could not give his assent to this amendment, on the ground that there was no reason why the previous question, moved on a particular subject, should preclude debate on a question of order growing out of it, for it would compel members to vote in the dark.

Mr. PATTON took the same side, and insisted that a question of order growing out of the previous question was entirely independent of it, besides it would be giving the Chair too despotic a power. Moreover, by the rules already in force, the previous question might be moved on the question of order itself, which was sufficient to arrest unreasonable debate.

Mr. GARLAND, of Louisiana, asked for the yeas and nays, which were ordered.

Mr. CALHOUN, of Massachusetts, wished some member of the select committee to give some reasons for the introduction of such a rule.

Mr. HAMER was one of those who voted in the committee in favor of the amendment, though he did not feel very solicitous about it one way or the other. He was inclined in favor of it, for this reason principally, that after the demand for the previous question, it sometimes occurred that questions of order incidentally arose, and were debated at great length, which debate might go on, take up the whole day, and thus the intention of the House, in ordering the main question to be put "now," might be defeated.

Mr. THOMAS adverted to a decision of the present Speaker, made during the last Congress, that after the previous question had been ordered, debate could not be allowed. The negativing this amendment would be a virtual repeal of that rule.

Mr. PATTON said that that decision was in utter contradiction to, and a notorious violation of, the practice of the House, from the origin of the Government down to that day, and was understood to be made under a misapprehension of the question of order then raised. He did not believe questions of order would ever be raised for the purpose of interrupting the business of the House, after the main question had been ordered, though, if a minority were disposed to do so, they could do it, unless some of the most valuable rules of the House were intirely obliterated.

Mr. CRAIG pointed out the necessity of the rule, and drew the attention of his colleague to instances that had occurred where questions of order had been raised, which produced a wide and extended range of debate having little connexion with the question itself, by which the will of the majority, in progressing the business of the House, had been for a length of time frustrated. The previous question was neccessary, nay, at times indispensible, to ensure action upon the public business of the nation, by arresting unnecessary discussion, and there was but one standard in regard to its application, viz: the judgment of the majority. If, then, the previous question be a rule properly applicable, and all had agreed that it was, unless abused, equally necessary was the rule now proposed by the select committee; for otherwise, a small minority might set aside the will of the House, or a very large majority of it.

Without taken the question,

On motion of Mr. FILLMORE, the House adjourned.

FRIDAY, SEPTEMBER 15.

On the call of the State of Massachusetts, Mr. LINCOLN rose, and said that he had been charged with the

care and presentation of numerous memorials, subscribed by more than three thousand of his immediate constituents, remonstrating in the most earnest manner against the annexation of Texas to the United States, and more especially against the admission of that country into the Federal Union. After the resolution adopted by the House, which restricted the action of the session to the subjects embraced in the President's message, he had intended to have retained these memorials in his possession, until the occasion offered for the consideration of the subject to which they relate. But the extraordinary debate to which the proposition of his honorable colleague (the resolution of Mr. Adams, asking information from the President) had subsequently given rise, made it his duty, as he deemed, to present, without further delay, these expressions of the sentiments of his constituents. In moving, as he should be constrained to do, under the resolution of the House, that the memorials be laid upon the table, he begged leave to give notice that he should call them up for consideration whenever any proposition for the annexation of Texas to the United States should engage the attention of the House.

Mr. PICKENS inquired whether they contained any petition on the subject of slavery?

Mr. LINCOLN replied in the negative; but added that he had a number of memorials in his hand which did relate to that subject.

Mr. PICKENS explained, by observing that he had understood the two subjects had been, in many cases, blended in the same petitions.

Mr. LINCOLN then presented sundry other petitions, remonstrating against the annexation of Texas to the United States, which were laid on the table.

The same course was taken with a large number more, of a similar tenor, presented by Mr. BRIGGS, Mr. EVERETT, and other gentlemen from the Western as well as the Eastern States.

Mr. ADAMS presented a memorial praying for retrenchment and reform, (a laugh.) He said he had been aware that these words would occasion only a universal shout of laughter in the House, but he had held it to be his duty to present the memorial, because it contained one suggestion, that the House should reduce the pay of its members from $8 to $4 per diem. He could not reconcile it to his conscience to withhold such a petition from the House a single day longer. (A laugh.)

REGULATION OF GOVERNMENT RECEIVERS.

Mr. CAMBRELENG, from the Committee of Ways and Means, reported the following bill:

A BILL imposing additional duties as depositories, in certain cases, on public officers.

Be it enacted, &c., That the Treasurer of the United States, the treasurers of the Mint and its branches, all collectors of the customs, and surveyors acting in that capacity, all receivers of public money, and postmasters, be, and they are hereby, required to keep safely, without loaning or using, all the public money collected by them, or otherwise, at any time placed in their possession, till the same is ordered by the proper department to be transferred or paid out; in which cases, the transfers and payments shall be faithfully made by them as directed, and all other duties performed as fiscal agents, which may be imposed by this or former acts of Congress, or by any regulation of the Treasury Department made in conformity thereto.

Sec. 2. *And be it further enacted*, That all marshals, district attorneys, and others having public money to pay over, and all patentees wishing to make payment to the United States, may make the same to the Treasurer in this city, or to the Mint and its branches, when near or convenient; and, when not, may deposite the same with such collector, receiver, or other depository, as may be more conveniently situated, and may be selected for that purpose by the Secretary of the Treasury.

Sec. 3. *And be it further enacted*, That whenever the public money in the possession of any depository, by collection, transfer, or payment, shall be inconveniently situated for public use, or shall accumulate so as to exceed the amount of the existing bond of any such officer, any part of it, or the excess (as the case may be) shall either be drawn out for payments, or be transferred elsewhere to some other depository; or the Secretary of the Treasury shall require such additional security as may be considered proper and safe; and, in the mean time, bonds, new and suitable in their terms, shall in all cases, at as early a day as possible after the passage of this act, be required of all depositories, in such sums and form as may be deemed reasonable and secure by the Solicitor of the Treasury, for the performance of all the duties required under the same or any previous laws.

Sec. 4. *And be it further enacted*, That the said officers, respectively, may be allowed any necessary additional expenses for clerks, fire-proof chests, or vaults, or other necessary expenses of safe-keeping, transferring, and disbursing said moneys; all such expenses of every character to be first expressly authorized by the Secretary of the Treasury, whose directions upon all the above subjects, by way of regulation and otherwise, are to be strictly followed by all the said officers.

Sec. 5. *And be it further enacted*, That the Secretary of the Treasury shall be, and he is hereby, authorized to cause examinations to be made of the books, accounts, and money on hand, of the several officers charged by this act with the safe-keeping, transfer, and disbursement of the public moneys; and for that purpose to appoint special agents, as occasion may require, with such reasonable compensation as he may allow, to be fixed and declared at the time of each appointment; which said examinations, in all cases where the sum on hand usually exceeds three-fourths of the amount of the officer's bond, shall not be made less frequently than once in each year, and as much more frequently, in those and all other cases, as the Secretary, in his discretion, shall direct. The agents selected to make these examinations shall be instructed to examine as well the books, accounts, and returns of the officer, as the money on hand, and the manner of its being kept, to the end that uniformity and accuracy in the accounts, as well as safety to the public moneys, may be secured thereby.

Sec. 6. *And be it further enacted*, That, in addition to the examinations provided for in the last preceding section, as a further guard over the public moneys, it shall be the duty of each naval officer and surveyor, as a check upon the collectors of the customs of their respective districts; of each register of a land office, as a check upon the receiver of his land office; and of the director and superintendent of each mint and branch mint, as a check upon the treasurers, respectively, of the said mints, at the close of each quarter of the year, and as much more frequently as they shall be directed to do so by the Secretary of the Treasury, to examine the books, accounts, returns, and money on hand, of the collectors, receivers, and treasurers, and to make a full, accurate, and faithful return to the Treasury Department of their condition.

Sec. 7. *And be it further enacted*, That the Secretary of the Treasury shall, with as much expedition as the convenience of the public business and the safety of the public funds will permit, withdraw the balances remaining with the late and present depositories of the public moneys, except such deposites as may have been made in the treasuries of the respective States, and confine the safe-keeping, transfer, and disbursement of those moneys to the depositories established by this act.

Sec. 8. *And be it further enacted*, That, for the payment of the expenses authorized by this act, a sufficient

sum be, and the same is hereby, appropriated, to be paid out of any money in the Treasury not otherwise appropriated.

SEC. 9. *And be it further enacted*, That all officers charged by this act with the safe-keeping, transfer, and disbursement of the public money, are hereby required to keep an accurate entry of each sum received, and of the kind of money in which it is received, and of each payment or transfer, and of the kind of currency in which they are made; and that if any one of the said officers shall convert to his own use, in any way whatsoever, or shall use by way of investment in any kind of property or merchandise, or shall loan, with or without interest, any portion of the public moneys intrusted to him for safe-keeping, disbursement, transfer, or for any other purpose, every such act shall be deemed and adjudged to be an embezzlement of so much of the said moneys as shall be thus taken, converted, used, or loaned, which is hereby declared to be a high misdemeanor; and any officer or person convicted thereof before any court of the United States of competent jurisdiction, shall be sentenced to imprisonment for a term of not less than two nor more than five years, and to a fine equal to the amount of the money embezzled.

SEC. 10. *And be it further enacted*, That no law or joint resolution now in force shall be so construed as to authorize any officer of the United States, before mentioned in the first section of this act, to receive any thing but gold or silver, Treasury warrants, Treasury drafts, or Treasury notes in payment of public dues.

The bill was read at length, and then referred to the Committee of the Whole on the state of the Union.

Mr. CAMBRELENG, from the same committee, reported farther a bill "adjusting the remaining claims on the late deposite banks," which received the same reference and order. Mr. C. stated that the committee had but two more bills on hand, which would be reported on Monday morning; at which time he hoped the House would be prepared to go into the business which had called them together at this time.

Mr. GARLAND, of Va., wished these bills made the order of the day for some early day next week, and in the meanwhile gave notice that he should introduce a counter-project.

Mr. BELL thought that, as the entire system of measures proposed by the Administration had been reported to the other House, there could be no need of any further delay; let the House proceed to act on the Senate's bills.

Mr. CAMBRELENG said that none of these bill had yet been received from the Senate; when they did come the House could then choose whether they would take up the bills reported by its own committee or those from the Senate; they were not in all respects strictly identical.

PUBLIC EXPENDITURES.

The SPEAKER laid before the House a communication from the Secretary of the Treasury, in compliance with a resolution of the House of the 11th instant, calling upon him to report the amount of appropriations of the past and present years remaining unexpended; the amount required to fulfil existing engagements, contracted prior to the first day of June last; the existing engagements since that time; the amount of money drawn from the Treasury, and placed in the hands of disbursing officers since the first day of May last; and what objects of public expenditure can, with the least injury to the public service, be dispensed with.

The communication was as follows:

TREASURY DEPARTMENT,
September 14, 1837.

SIR: This report is submitted in compliance with the following resolution, passed on the 11th instant:

"*Resolved*, That the Secretary of the Treasury be directed, with as little delay as possible, to communicate to this House the amount of the appropriations of the past and present years remaining unexpended; the amount required to fulfil all existing engagements contracted prior to the first day of June last, and all existing engagements contracted since that time; also the amount of money drawn from the Treasury and placed in the hands of disbursing officers or agents on the first day of May last and at the present time; and that he also report what objects of public expenditure can, with the least injury to the public service, be either wholly dispensed with during the present year, or bear any material reduction."

The tabular statement annexed shows, as desired, "the amount of the appropriations of the past and present years remaining unexpended" to be $24,075,239 37. (A.)

In reply to the inquiry as to "the amount of money drawn from the Treasury, and placed in the hands of disbursing officers or agents on the first day of May last, and at the present time," I would state that at the former period it appears to have been $5,264,052 95, and at the latter $5,049,540 76. It may be useful to add that both sums are much larger than they would otherwise be, in consequence of the unusual amount of deposites by officers of the mint.

In relation to "what objects of public expenditure can, with the least injury to the public service, be either wholly dispensed with during the present year, or bear any material reduction," I would observe that a minute and critical examination on this point was instituted in May last by this Department. The result of it was, that enough of it could and would be postponed till next year, to amount to about $15,000,000.

Consequently, the expenditures during the present year were estimated in my recent report upon that basis, after every delay of them which the public interest may permit. It is therefore expected that, of the outstanding appropriations now exceeding $24,000,000, not much over $9,000,000 will necessarily be required to be expended during the residue of the year.

Since the resolution passed, further inquiries on this point were instituted in connexion with the other departments of the Government; but the result has not been essentially varied from that to which the Department arrived last spring. The particular heads of appropriations, that it is supposed need not, and will not, be expended in full during the year, and the amounts under each, are very numerous and difficult to be prepared, but if desired will be submitted hereafter with as little delay as practicable.

The only remaining inquiry is "the amount required to fulfil all existing engagements contracted prior to the first day of June last, and all existing engagements contracted since that time."

Each Department has been requested to furnish a statement on this subject as early as it can be completed. But some delay being unavoidable, it has, in the mean time, been deemed advisable to submit immediately the answer to the other portions of the resolution.

Those statements will be made as comprehensive as possible, but can, of course, relate to only a small part of the whole appropriations of Congress, which it has been, and will be, necessary to expend during the year. All salaries of Judicial, Executive, or other officers; the expenses of foreign intercourse; the pay and subsistence in both the army and navy; all pensions; all Indian annuities; all private bills which have passed; many miscellaneous appropriations, with several other items, stand independent of any special engagements or contracts made by any public officer, and cannot, therefore, enter into this computation. Respectfully, yours,

LEVI WOODBURY,
Secretary of the Treasury.

Hon. J. K. POLK, *Speaker H. R.*

A.

Statement of the amount of appropriations of the past and present years, remaining unexpended on the 11th September, 1837, inclusive, agreeably to a resolution of the House of Representatives of the 11th instant, viz:

Balance of appropriations on the 31st December, 1836 - - -		$16,752,283 09
Appropriations made at the second session of the 24th Congress, exclusive of the Post Office Department -	$28,575,837 40	
Specific and indefinite appropriations made by former acts of Congress	2,824,250 10	
		31,400,087 50
		48,152,370 59
Expenditures of the United States from the 1st January to the 11th September, 1837 - - - -		24,077,031 22
Leaves balances of appropriations 11th September, 1837 - - -		$24,075,239 37

T. L. SMITH, *Register.*

Treasury Department,
Register's Office, Sept. 12, 1837.

Mr. BELL moved that the communication be laid on the table and printed.

Mr. HAYNES moved its reference to the Committee of Ways and Means.

The former motion was first put and prevailed.

RULES AND ORDERS OF THE HOUSE.

Mr. MERCER, on leave, from the select committee on the rules, made an additional report on the subject; which was laid aside, to be taken up when the consideration of the first part of the report was resumed.

The CHAIR then announced the unfinished business of yesterday, (the subject of the rules.)

Mr. BELL inquired if it was a special order.

The CHAIR replied that it came up as the unfinished business of the morning hour, at the expiration of which the House might, if it pleased, proceed to the orders of the day, or continue the subject under consideration.

The House then resumed the consideration of the report of the select committee on the subject of the rules.

The question pending at the adjournment of the House yesterday was the following amendment of the committee to the original rules:

11th. Add to the 36th rule the following clause:

"All incidental questions of order arising after a motion is made for the previous question, and pending such motion, shall be decided, whether on appeal or otherwise, without debate."

Mr. WILLIAMS, of North Carolina, made a few remarks in opposition to the amendment, on the ground that incidental questions of order ought to be debated as well as any thing else.

Mr. MERCER also briefly opposed the amendment, when the question was taken by yeas and nays, and decided in the affirmative: Yeas 103, nays 96, as follows:

Yeas—Messrs. Atherton, Beatty, Beirne, Bicknell, Borden, Brodhead, Bronson, Bruyn, Buchanan, Bynum, Cambreleng, T. J. Carter, Casey, Chaney, Chapman, Claiborne, Clark, Coles, Connor, Craig, Cushman, DeGraff, Dromgoole, Duncan, Edwards, Farrington, I. Fletcher, Foster, Fry, Gallup, Gholson, Glascock, Grantland, Haley, Hammond, Hamer, Harrison, Hawkins, Haynes, Holt, Howard, Hubley, William H. Hunter, Ingham, Thomas B. Jackson, J. Jackson, J. Johnson, N. Jones, J. W. Jones, Kemble, Kilgore, Klingensmith, Leadbetter, Logan, Arphaxed Loomis, James M. Mason, Martin, May, McKay, Robert McClellan, Abraham McClellan, McClure, McKim, Miller, Montgomery, Moore, Morgan, Samuel W. Morris, Muhlenberg, Murray, Noble, Owens, Palmer, Parker, Paynter, Pennybacker, Petrikin, Phelps, Plumer, Pratt, Prentiss, Reily, Sheffer, Sheplor, Smith, Snyder, Spencer, Stewart, Taylor, Thomas, Titus, Toucey, Towns, Turney, Vail, Vanderveer, Wagener, Webster, Weeks, Thomas T. Whittlesey, Jared W. Williams, Worthington, Yell—103.

Nays—Messrs. Adams, Alexander, John W. Allen, Aycrigg, Bell, Birdsall, Bond, Briggs, William B. Calhoun, John Calhoon, William B. Campbell, John Campbell, William B. Carter, Chambers, Cheatham, Childs, Cranston, Curtis, Cushing, Darlington, Dawson, Deberry, Dennis, Dunn, Everett, Ewing, Fillmore, James Garland, Rice Garland, Goode, James Graham, Wm. Graham, Grennell, Griffin, Hall, Halsted, Harlan, Harper, Hastings, Henry, Herod, Hoffman, R. M. T. Hunter, Jenifer, Wm. C. Johnson, Lewis, Lincoln, A. W. Loomis, Marvin, S. Mason, Maury, Maxwell, McKennan, Menefee, Mercer, Milligan, Calvary Morris, Naylor, Noyes, Ogle, Parmenter, Patterson, Patton, Peck, Phillips, Pickens, Pope, Potts, Rariden, Reed, Rencher, Ridgway, Robertson, Rumsey, Russell, Sawyer, Sergeant, Augustine H. Shepperd, Charles Shepard, Sibley, Slade, Southgate, Stanly, Stratton, Taliaferro, Thompson, Tillinghast, Toland, Underwood, Albert S. White, John White, Lewis Williams, Sherrod Williams, Christopher H. Williams, Wise, Yorke—96.

So this amendment was agreed to, and the following was then taken up:

12th. Add to the 40th rule the following clause:

"No bill or resolution shall, at any time, be amended by annexing thereto, or incorporating therewith, any other bill or resolution pending before the House, nor by any proposition containing the substance, in whole or in part, of any other bill or resolution pending before the House."

Mr. BELL briefly opposed this amendment on the ground that, though it might correct an occasional abuse, yet its adoption would too much cripple the House, for it would be unable to engraft a bill of the Senate, which all might deem expedient.

Mr. MERCER then moved to strike out all after the word "House" in the third line; agreed to; and the original amendment, as amended, was agreed to.

The following amendments were agreed to without a division:

13th. Amend the 55th rule by adding two standing committees, each to consist of five members, to precede, in the enumeration of committees, that of Revisal and Unfinished Business—a Committee on Patents, and a Committee on Public Buildings and Grounds.

Insert after 74th rule the following rules:

"It shall be the duty of the Committee on Patents to consider all subjects relating to patents which may be referred to them, and report their opinion thereon, together with such propositions relative thereto as may seem to them expedient.

"It shall be the duty of the Committee on Public Buildings and Grounds to consider all subjects relating to the public edifices and grounds within the city of Washington which may be referred to them, and report their opinion thereon, together with such propositions relating thereto as may seem to them expedient."

Amend the 55th rule, by striking out "two," and inserting the word *six*, after the word twenty.

14th. Amend the 38th rule, by substituting for the first clause thereof the following words, to precede the words "a motion to strike out:"

"Any member may call for the division of the question,

which shall be divided if it comprehend propositions in substance so distinct, that one being taken away, a substantive proposition shall remain for the decision of the House."

15th. In lieu of the 88th rule, insert the following:

"Every bill shall be introduced on the report of a committee, or by motion for leave. In the latter case, at least one day's notice shall be given of the motion; and the motion shall be made, and the bill introduced, if leave is given, when resolutions are called for; such motion, or the bill when introduced, may be committed."

Amend the 91st rule, by inserting after the words "on what day," "if no motion be made to commit, the question shall be stated on its engrossment; and if it be not ordered to be engrossed on the day of its being reported, it shall be placed in the general file on the Speaker's table, to be taken up in its order."

The following amendment was then taken up:

17th. From the 107th rule strike out the words "at least two-thirds," wherever they occur, and insert the words "a majority."

[The effect of this rule is well known: that of requiring a majority of two-thirds of the members present, to take up any business out of its order, to make special orders, to suspend the rules, &c.]

Considerable discussion arose on the propriety of this amendment, in which it was opposed by Messrs. MERCER, LEWIS WILLIAMS, EVERETT, BELL, BRIGGS, CUSHING, FILLMORE, WISE, CALHOUN of Massachusetts, and REED, and sustained by Messrs. HAMER, CRAIG, and SMITH; when

Mr. EVERETT asked for the yeas and nays, which were ordered.

The discussion was further continued by Mr. POPE, against the resolution, and in a few words by Mr. HAMER, in favor of it; when the question was taken, and decided in the negative: Yeas 88, nays 121, as follows:

YEAS—Messrs. Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Brodhead, Bronson, Buchanan, Cambreleng, T. J. Carter, Chaney, Chapman, Cilley, Claiborne, Clark, Connor, Craig, Cushman, Davee, De Graff, Edwards, Farrington, Fairfield, I. Fletcher, Fry, Gallup, Gray, Haley, Hammond, Hamer, Harrison, Hawkins, Haynes, Holsey, Holt, Hopkins, Howard, Hubley, Ingham, T. B. Jackson, J. Jackson, J. Johnson, N. Jones, John W. Jones, Klingensmith, Leadbetter, Logan, Arphaxed Loomis, James M. Mason, Martin, Robt. McClellan, A. McClellan, McClure, Miller, Montgomery, Moore, Morgan, Samuel W. Morris, Muhlenberg, Noble, Owens, Palmer, Parker, Parmenter, Paynter, Pennybacker, Petrikin, Phelps, Plumer, Pratt, Prentiss, Reily, Sheffer, Sheplor, Smith, Spencer, Taylor, Toucey, Towns, Turney, Vail, Wagener, Webster, Weeks, Thomas T. Whittlesey, Jared W. Williams, and Worthington—88.

NAYS—Messrs. Adams, Alexander, John W. Allen, Ayerigg, Bell, Biddle, Bond, Borden, Briggs Bynum, William B. Calhoun, John Calhoon, W. B. Campbell, John Campbell, W. B. Carter, Casey, Chambers, Cheatham, Childs, Cleveland, Coles, Corwin, Cranston, Crockett, Curtis, Cushing, Darlington, Dawson, Davies, Deberry, Dennis, Dromgoole, Dunn, Elmore, Everett, Ewing, Richard Fletcher, Fillmore, James Garland, Rice Garland, Glascock, Goode, James Graham, W. Graham, Grantland, Graves, Grennell, Griffin, Hall, Halsted, Harlan, Harper, Hastings, Henry, Herod, Hoffman, William H. Hunter, R. M. T. Hunter, Jenifer, W. C. Johnson, Kemble, Legare, Lewis, Lincoln, Andrew W. Loomis, Marvin, Samson Mason, Maury, May, Maxwell, McKay, McKennan, Menefee, Mercer, Milligan, Matthias Morris, Calvary Morris, Murray, Naylor, Noyes, Ogle, Patterson, Patton, Peck, Phillips, Pickens, Pope, Potts, Rariden, Reed, Rencher, Richardson, Ridgway, Rives, Robertson, Rumsey, Russell, Sawyer, Sergeant, Augustine H. Shepperd, Charles Shepard, Sibley, Slade, Snyder, Southgate, Stanly, Stewart, Stratton, Taliaferro, Thompson, Tillinghast, Toland, Underwood, Albert S. White, John White, Lewis Williams, Sherrod Williams, Christopher H. Williams, Wise, Yell, York—121.

So the amendment was disagreed to.

The following additional rule, reported by the select committee this morning, was agreed to:

"The rules of parliamentary practice comprise Jefferson's Manual, and shall govern the proceedings of the House in all cases in which they are not inconsistent with the rules of the House, and the joint rules of the Senate and House of Representatives."

The following joint rule was also agreed to on the part of the House, and a message ordered to be sent to the Senate to acquaint that body therewith:

"No spiritous liquors shall be offered for sale or exhibited within the Capitol, or in the public grounds adjacent thereto."

Mr. UNDERWOOD submitted an amendment to change the proceedings under a call of the House, by depriving the absent members of the day's compensation, etc. unless they excused themselves. Lost.

Mr. BELL moved an additional rule, that no division or count of the House should be taken by tellers, but upon a motion seconded by at least one-fifth of a quorum. Agreed to.

Mr. UNDERWOOD submitted an amendment to the 17th rule, providing that the Chair should call for reports from standing committees in the order they are named in the 55th and 74th rules; which, after a few remarks from Messrs. RENCHER and HAMER in opposition to it, and by Messrs. UNDERWOOD, WISE, LEWIS WILLIAMS and HOWARD in its support, was agreed to.

Mr. PATTON proposed a substitute for the ninth rule of the House, viz: that in all cases the Speaker should vote, and when the vote was equal the question should be lost.

Mr. ROBERTSON moved an amendment that the Speaker be required to vote last.

Mr. PATTON preferred that his name should be called in the order of names; but he was indifferent about it. In some of the State Legislatures he was called first, in others—as in Virginia—last; but he preferred the plan he first intimated best. Mr. P. considered the rule, as it at present stood, as unconstitutional, and violative of the rights of the Speaker as a Representative, and of his constituents also, both of whom were, in his opinion, improperly deprived of his vote by the old rule.

Mr. THOMAS replied that, by the standing rules already in force, the Speaker could vote in two cases. First, when his vote being given would make the division of the House equal, when the question would be lost. Second, when it was equal, he had the casting vote. The Speaker, therefore, would not receive any new right under the proposed alteration of the rule than he now had. Mr. T. was not disposed to make any change; for, in times of high party excitement, the annunciation of his vote, especially if first given, might have a too powerful influence.

Mr. ADAMS remarked, that if they gave the Speaker the right to vote, they could not deprive him of the right to speak, of giving reasons for his vote, as in Committee of the Whole, where the Speaker can both vote and speak. Hence Mr. A. was opposed to the adoption of this new rule.

Mr. PATTON was not aware that there was any rule of the House prohibiting the Speaker from participating in the discussions of the House: certainly not in terms. He would, however, offer an amendment expressly giving him that right, in the following words: "And that the Speaker, whenever he desires to debate any question under con-

sideration, shall be at liberty to call any member to the chair."

Mr. HAMER thought they were proceeding in a not very commendable haste, by adopting a number of important amendments without their being first printed, or laid before them, or even any time given for reflection; so that their effect, if adopted, might be ascertained.

In regard to the proposition under consideration, he would ask, why should it be adopted? The gentleman from Virginia informed them that he thought the rule exempting the Speaker from voting, or prohibiting him from voting, was against the provisions of the constitution. Why, what provision of the constitution prohibited a member from voting on a question in which he was interested? None. Yet that was one of the rules of the House of which no one complained. Could any one doubt their power to go further? Who had complained of the operation of this rule? When they made new laws, they should be to remedy some existing defect, or some existing evil, which had been complained of. Was there any evil resulting from the operation of this rule. Not one; and, so far as he knew, even the House had suffered no inconvenience from it whatever. Had the constituents of any gentleman heretofore elected as the presiding officer of the House complained that their privileges were violated from his not giving his vote there? Mr. H. had heard no such complaint. Had the people of the country at large? None. None that had reached his ear, at least. Then if no complaints came, if no evil was felt or complained of, why change a rule that had prevailed from the organization of the Government to the present time?

Mr. LEWIS WILLIAMS moved to lay the amendment on the table.

The CHAIR remarked that the whole subject, if the motion should prevail, would cohere to the amendment, and thereby the whole subject would be laid upon the table; whereupon

Mr. WILLIAMS withdrew his motion, and the amendment of Mr. Patton was rejected.

Mr. PETRIKIN submitted an amendment proposing that all elections or appointments by the House should be *viva voce*, instead of by ballot, and asked for the yeas and nays; but they were not ordered, and the amendment was lost.

Mr. LINCOLN submitted an amendment, providing that in cases of balloting by the House, blanks should be rejected, and not taken in the count into the enumeration of votes. Agreed to.

Mr. DAWSON submitted an additional rule, that there be a standing committee on the mileage of members; which was agreed to: 87 to 82.

Mr. THOMAS submitted an amendment to the 19th rule, "that a precedence shall be given to those bills which shall not cause debate."

After some remarks by Messrs. THOMAS, UNDERWOOD, and WILLIAMS, of North Carolina, the amendment was disagreed to.

Mr. HARRISON moved to amend the rule in relation to calling the States in order for petitions, by commencing at Maine and Wiskonsin alternately; agreed to.

On motion of Mr. MERCER,

The rules, as amended, were then adopted, and ordered to be printed.

On motion of Mr. HARLAN, it was ordered that when this House adjourn, it adjourn to meet on Monday next.

On motion of Mr. CAMBRELENG, the bill from the Senate to postpone the fourth instalment of the deposites with the States, was read a first and second time, and committed to the Committee of Ways and Means.

On motion of Mr. BRIGGS,

The House then adjourned to Monday next.

Monday, September 18.

On motion of Mr. ADAMS, it was ordered that 2,000 additional copies of the Rules, as amended and adopted by the House, including Jefferson's Manual, and the constitution of the United States, be printed for the use of the members.

A number of petitions and remonstrances were presented against the annexation of Texas to the United States, and for the establishment of a bank of the United States.

Amongst the petitions on the former subject, Mr. ADAMS presented, in succession, about eighty different petitions, which were, under the rule, all ordered to lie on the table.

Mr. ADAMS then proposed to offer to the consideration of the House, the following resolution:

"*Resolved*, That the power of annexing the people of any independent foreign State to this Union is a power not delegated by the constitution of the United States to their Congress, or to any Department of their Government, but reserved to the people."

The SPEAKER decided that the motion was, at this hour, out of order, and that, therefore, it could not now be either received or read.

The standing committees being called upon,

Mr. CAMBRELENG, from the Committee of Ways and Means, reported the Senate's bill "to postpone the fourth instalment of deposite with the States," without amendment, and it was referred to a Committee of the Whole on the State of the Union.

Mr. C. further reported a bill "to authorize merchandise to be deposited in the public stores, and for other purposes;" which was read twice, and received the same destination.

Also, a bill "to revoke the charters of such banks in the District of Columbia as shall not resume specie payments within a limited time, and to suppress the circulation of small notes therein;" which had the same reference.

Mr. C. stated that the committee had received from the Department of War a communication, stating that there were not in the Treasury, funds to carry on the war in Florida; and thereupon asked leave to report a bill for that purpose.

Leave having been given, Mr. C. reported a bill "making an additional appropriation for the prevention and suppression of Indian hostilities, for the year 1837." The bill was read at large, and then referred to a Committee of the Whole on the state of the Union. [It proposes to appropriate $1,600,000.]

Mr. C. further moved a resolution, directed by the same committee to be offered, fixing the daily hour for the meeting of the House at 10 o'clock A. M., till further ordered.

On motion of Mr. HARLAN, it was amended so as to fix the hour at 11; and in this form was agreed to by the House.

The following resolution moved on Wednesday by Mr. Snyder, of Illinois, was agreed to, viz:

Resolved, That the Secretary of the Treasury inform this House at what time the Bank of the State of Missouri was made a deposite bank, and what amount of its own notes said bank had in circulation, and what amount of specie it had in its vaults when it was selected. Also, what amount of money is now in the hands of the receivers of public moneys in Illinois, and where the same is now ordered to be deposited.

CALL FOR DEFAULTERS' ACCOUNTS.

The following resolution moved on Wednesday by Mr. Loomis, of New York, having been read, viz:

Resolved, That the Secretary of the Treasury prepare and report to this House as soon as may be convenient, a statement showing what methods have been adopted for the safe-keeping of the public funds, since the first organiza-

tion of the Government under the constitution; the length of time that each method has been in use, designating the several changes, and when made, and what losses under each method have been sustained by the Treasury, in consequence of defalcation of agents or officers so entrusted with the funds for safe-keeping.

Mr GARLAND, of Virginia, moved to amend it in such a manner as to call for all the correspondence of the Treasury Department with its various fiscal officers, touching defalcations and neglects of duty from the foundation of the Government.

Mr. MERCER suggested that this amendment, if agreed to, was so comprehensive, that a full answer to it would probably fill several folio volumes.

Mr. GARLAND said that if it would occupy twenty folios, he desired to have it; but he had reason to believe that two quires of paper would hold all he asked for.

Mr. LOOMIS objected to the amendment, as covering too much ground, and requiring too much time to get an answer to. The great object of his inquiry had to do simply with the different modes adopted by the Government at different times for the safe-keeping of the public funds, together with the losses which had happened under each mode. If the inquiry was to be extended to all defalcations, it would be almost boundless, as every one knew that in the last war alone the amount had been vastly great.

Mr. MERCER having further urged his objection to the extent of the amendment,

Mr. GARLAND modified it so as to confine it to the years 1834, -'5, and -'6.

Mr. McKAY moved to amend the amendment so as to call for the amount of defalcations, first, on the part of receiving officers of the Government; secondly, on the part of those who were employed in keeping the public funds; and, thirdly, on the part of the officers employed in disbursing them.

Mr. WHITTLESEY showed that this amendment would make the answer still more voluminous; and so much so, that it would take the Department at least three months to prepare it. Its effect would be to defeat the original re olution entirely, for any immediate purpose.

Mr. McKAY thereupon withdrew his amendment.

And Mr. LOOMIS still insisting on his objection to the amendment of Mr. GARLAND, that also was withdrawn.

Mr. CAMPBELL, of South Carolina, moved to amend the resolution by requiring the Secretary of the Treasury to report the aggregate amont of receipts and of losses since the adoption of the constitution, excepting therefrom the amounts in the hands of the receivers of the land offices and collectors of the customs. He wished the information in a condensed shape; he wanted a bird's eye view which could at once be seen and understood,

Mr. LOOMIS objected strongly to the adoption of this amendment, as apparently intended to defeat his resolution entirely; it contained nothing of what he had proposed.

After some remarks from Mr. PATTON, inquiring why the collectors of the revenue were to be excepted from the call.

Mr. CAMPBELL explained; disclaimed all intention to defeat the resolution, and, lest he should be exposed to such an imputation, withdrew his amendment.

The resolution, as originally proposed by Mr. LOOMIS, was then agreed to.

Mr. CAMBRELENG now moved the orders of the day; but withdrew his motion at the request of

Mr. GHOLSON, who offered the following resolution:

Resolved, That the Committee of Elections be instructed to report upon the certificate of election of Messrs. Claiborne and Gholson, the members elect from Mississippi, whether they are members of the 25th Congress or not; and that said committee take into their consideration the proclamation of his excellency Charles Lynch, Governor of said State, and the writ of election issued in accordance with said proclamation, on the 13th day of June, 1837; and, also, the act of the Legislature of the State of Mississippi, entitled "An act to regulate elections," approved March 2, 1833.

The resolution was agreed to.

THE PUBLIC REVENUE, &c.

Mr. GARLAND, of Virginia, now asked leave to lay on the table, and have printed, the following counter-projet, which he intended hereafter to move as a substitute for the plan proposed by the Committee of Ways and Means:

Be it enacted, &c., That the Secretary of the Treasury be, and hereby is, required to adopt such measures as he may deem necessary to effect the collection of the public revenue of the United States, whether arising from duties, taxes, debts, or sales of land, in the manner and on the principles herein provided; that is, that no such duties, taxes, debts, or sums of money payable for lands, shall be collected or received otherwise than in the legal currency of the United States, or in notes of banks which are payable and paid on demand in the said legal currency of the United States, under the following restrictions and conditions in regard to such notes, to wit: from and after the passage of this act, the notes of no bank which shall issue or circulate bills or notes of a less denomination than five dollars shall be received on account of the public dues; and from and after the —— day of ——— the notes of no bank which shall issue or circulate bills or notes of a less denomination than ten dollars shall be so receivable; and from and after the —— day of ——— the like prohibition shall be extended to the notes of all banks issuing or circulating bills or notes of a less denomination than twenty dollars.

Sec. 2. *And be it further enacted*, That no notes shall be received by the collectors or receivers of the public money, which the banks in which they are to be deposited, under the supervision and control of the Treasury Department, shall not agree to pass to the credit of the United States as cash: *Provided*, That if any deposite bank shall refuse to receive and pass to the credit of the United States, as cash, any notes receivable under the provisions of this act, which said bank, in the ordinary course of business, receives on general deposite, the Secretary of the Treasury is hereby authorized to withdraw the public deposites from said bank; nor shall the notes of any bank be received, which shall not be received by the State Governments in which it is issued in payment of its revenue.

Sec. 3. *And be it further enacted*, That it shall be the duty of the Secretary of the Treasury to select such State banks as depositories of the public money as, from their location, shall be most convenient for the fiscal operations of the Government, and the commercial intercourse of the country, not exceeding —— in number.

Sec. 4. *And be it further enacted*, That it shall be the duty of the Secretary of the Treasury, in all cases, to require of the banks to be retained, or hereafter selected as depositories of the public money, ample and approved collateral security for the safe-keeping and faithful repayment of all such sums of the public money as are or shall be deposited with them, which security shall be annually renewed.

Sec. 5. *And be it further enacted*, That the Secretary may, in his discretion, whenever the circulation of any deposite bank shall exceed three times the amount of its actual specie capital, discontinue such bank as a depository of the public money, and the receipt of its notes in payment of the public revenue.

Sec. 6. *And be it further enacted*, That if any of the banks which have suspended specie payments, the notes of which, previous to said suspension, were received in payment of the public revenue, shall *bona fide* resume specie

payments one month previous to the —— day of ——, then and in that case it shall be the duty of the collectors and receivers of the public money to receive the notes of such bank or banks in payment of the public revenue, under the restrictions and limitations hereinbefore prescribed. But the bills or notes of any bank failing to redeem its notes in specie as aforesaid, within the time limited, shall not be thereafter received in payment of the public dues as aforesaid.

Sec. 7. *And be it further enacted,* That it shall be lawful for the Secretary of the Treasury, if he shall deem it expedient, to continue as depositories of the public money any bank which has suspended specie payments as aforesaid, under such limitations and conditions as he may prescribe.

The paper was ordered to be printed.

Mr. PATTON, before the House should go to the orders of the day, wished to inquire of the chairman, or some member of the Judiciary Committee, whether the House was to expect from that committee any report on the subject of the President's recommendation touching a bankrupt law?

No response was given to this inquiry.

SENATE ANTI-DEPOSITE BILL.

The House then, on motion of Mr. CAMBRELENG, went into Committee of the Whole on the state of the Union, (Mr. Haynes, of Georgia, in the chair,) and proceeded to consider the bill from the Senate postponing the fourth instalment of deposite with the States.

The bill having been read,

Mr. DAWSON, of Georgia, moved to amend it by substituting for it the following:

A Bill to be entitled An act to authorize the Secretary of the Treasury to suspend the expenditure of fifteen millions of dollars from unexpended balances of appropriations, and to require the execution of the deposite law of June, 1836.

Inasmuch as the report of the Secretary of the Treasury, made to the House of Representatives on the 14th day of September, 1837, states the fact that, on that day, there remained, of unexpended balances of appropriations of the past and present years, the sum of twenty-four million seventy-five thousand two hundred and thirty-nine dollars thirty-seven cents, and that fifteen millions of dollars would not be required during the present year of said sum for public uses:

Sec. 1. *Be it therefore enacted,* That the Secretary of the Treasury be, and he is hereby, required to suspend the expenditure of fifteen millions of dollars of the unexpended balances of appropriations of the past and present years, and that said sum be placed in the Treasury for the purpose and use of the Government.

Sec. 2. *And be it further enacted,* That the Secretary of the Treasury be, and he is hereby, authorized to suspend the said sum of fifteen millions from such of said unexpended appropriations which in his judgment shall least affect the public interest.

Sec. 3. *And be it further enacted,* That the Secretary of the Treasury be, and he is hereby, required to carry fully into execution the deposite act of June, 1836; and that all laws contravening the provisions of this act be repealed so far, and no farther.

The substitute having been read,

Mr. D. then moved that the committee rise, report progress, and ask leave to sit again, assigning his reasons for the motion, being grounded on the report of the Secretary of the Treasury, and that the House wanted further information, and was not prepared to go into it at that time.

At the request of Mr. CAMBRELENG, Mr. DAWSON withdrew his motion.

Mr. CAMBRELENG thought, when the committee came to examine the proposition of the gentleman, they would not consent to postpone the bill under consideration. The gentleman had been led into error, the common error, that this twenty-four millions of unexpended appropriations were in actual money, when the fact was there was not a dollar of them in money. If the gentleman's bill were passed, Mr. C. knew no other effect it would have than this: that it would cut off all the money appropriated for carrying on the war in Florida, all the money to carry into effect the stipulations of Indian treaties, and all the funds set apart to remove the Indians west of the Mississippi. It was these very appropriations that had lately swelled the amount of our unexpended balances from seven or eight millions to fourteen or fifteen millions. Last year a single Indian treaty alone involved an appropriation of no less than six millions of dollars. Now, let him ask, would the gentleman from Georgia cut off all these appropriations? And even if he did, what would then be the condition of the Treasury? Why, it would not be advanced one single step. Their army, navy, and those expenditures now under contract, would all still have to be supplied, and must be supplied.

Mr. C. said he had desired, before the gentleman made his motion, and he had risen for that purpose, to submit a very brief statement, for he should not, at this short, session, detain the House one moment more than necessary. With the gentleman's permission, he would go into a very brief statement of the reasons which had induced the committee to report this bill. He premised that he was aware that there were a number of gentlemen anxious that the bill should not pass; yet he could not persuade himself to believe but that, when they saw the reasons for it, it would pass by a very large majority. Mr. C. then recited the following statement:

Estimated state of the Treasury on the first of October, 1837.

Specie fund in land offices and banks - - -	$700,000	
Specie in the mint - -	800,000	
		$1,500,000
Balances due from banks, which will remain undrawn on the first of October - -		5,000,000
Instalment due from the United States Bank on the first of October, deducting the amount paid through an arrangement with the Navy Department about - - -		1,500,000
Available and unavailable funds - -		8,000,000
Deduct the sums which will not be available, either for deposite or for current expenses of Government, for some time to come, viz:		
Employed in the mint for the purchase of bullion, which cannot be applied to any immediate use	$500,000	
Of the five millions due from banks, only $750,000 are due from banks east and north of Virginia; and but $250,000 from other banks, which can be considered available, leaving wholly unavailable in remote banks - - -	4,000,000	
It is understood that the Bank of the United States has become the purchaser of Treasury transfer drafts to the States, (presuming that they were, like other drafts, receivable in payment of public dues,) to meet the instalment due on the 1st of October. Whether they are re-		

ceived or not, the fund will be unavailable—in the one case the claim continues on the United States Bank and in the other, the balance due from the State bank is increased to the amount of - - -	1,500,000	6,000,000
Leaving in the Treasury to meet current expenses - - - - -		2,000,000
Of which there is in specie - - -		1,000,000
Balance due from non-specie paying banks -		1,000,000

Such then, continued, Mr. C. will be the actual condition of the finances of this country on the first of October next, when they were called upon by the deposite act to deposite $9,400,000 with the States. But that was not the only view to be taken. It was not alone the condition of the Treasury on the first of October which demonstrated the impracticability of making the above deposite. The law itself provided that $5,000,000 should remain in the Treasury, viz: one for the mint, and four for a surplus, and they had only two millions in all, viz: one million in the Treasury in specie, and one million of available funds in banks. They had only two-millions any where to meet the current expenses of the Government, a demand which that House ought surely to provide for before they provided for dividing a surplus. But he had made another statement, which he would read to the House, for such statements were much more easily understood than long speeches. Mr. C. then recited the following:

Probable state of the Treasury in the last quarter of the year, excluding unavailable funds, or all funds which cannot be applied to the current expenses of the Government.

Balance in the Treasury on the first of October—		
In specie - - -	$1,000,000	
In bonds - -	1,000,000	$2,000,000
Receivable from banks, probably less, but may be - -	1,000,000	
Current receipts from customs, bonds, cash duties, &c., if the payment of the bonds be postponed, and not including suspended bonds - -	1,000,000	
Suspended bonds, payable from the middle of November to the 1st of January - -	1,900,000	
Receipts from miscellaneous sources - - -	1,000,000	4,000,000
		$6,000,000
The expenditures during the last quarter, estimated at the monthly rates for the first eight months in the year, will be - - -		$9,000,000
Extraordinary appropriations which will be immediately required for the Florida war -		1,600,000
Allowance for drafts on bonds (4½ millions outstanding) which have been issued, and which may be returned in the last quarter in payment of public dues, instead of money, besides the million and a half purchased by the United States Bank - - -		500,000
Balance required to be in the Treasury to meet contingent demands, (particularly necessary when the outstanding appropriations amount to twenty-four millions,) and excluding the additional half million allowed by law for the use of the mint - - -		4,000,000
		$15,100,000
Deduct the available means in the 4th quarter		6,000,000
Amount to be provided - -		$9,100,000

Mr. C. added, that it would, from the above, be seen, not only that they had no money in the Treasury to deposite, in accordance with the provisions of the deposite act, but that they must actually issue on their credits, or rather anticipate their receipts.

Mr. DAWSON said his object was to reduce the extravagant appropriations made by this Government. He was desirous that the States should receive the deposites, according to the law of June, 1836. They expected, and had made their arrangements upon the pledge of the General Government that the fourth instalment should be made on the 1st day of October next. But now an effort on the part of Congress is making to defeat that just expectation. The amendment which he proposed was to reduce the balances of the unexpended appropriations $15,000,000. The Secretary of the Treasury has said, in his report to this House, on the 14th instant, that these unexpended balances amount to the sum of $24,075,239 37. How are these appropriations to be paid, (said Mr. D.) if there is no money available in the Treasury? Why has not the Secretary asked of Congress to reduce these appropriations, which the Government is pledged to make? Why strike out the fourth instalment of the deposite with the States, which is only about $9,000,000, when the unexpended balances, which have been remaining for some time, are so large? But the honorable chairman of the Committee of Ways and Means [Mr. CAMBRELENG] says I have fallen into a very common error—the mistake of considering unexpended balances as money. What does the Secretary of the Treasury mean by saying there was $24,075,239 of balances of unexpended appropriations remaining in the Treasury on the 11th of this month? Did he mean that it was a mere ideal nothing? No, sir, it is something tangible; money alone can answer these appropriations. The Government is pledged to the appropriations, and when the call is made for the money it must leave the Treasury. To avoid that, he said he proposed to diminish these pledges to extravagant appropriations $15,000,000. And I submit to the wisdom of Congress whether this reduction cannot be made without the least detriment to the public interest? And, if so, is it not our duty to fulfil the pledge of this Government to the States, that the fourth instalment should be made on the 1st of October? But, sir, let me refer again to the report of the Secretary; does it not demonstrate that there was upwards of thirty-seven millions of surplus, after deducting five millions, on the 1st day of January, 1837? Only about twenty-seven millions have been deposited with the States. But it is said the balance of the surplus fund, and the accumulations since the 1st of January last, are abundant, but they are not available; that is, as he understood it, our funds are bank notes, accumulated in the various banks called deposite banks, under the experiments of the past administration. If they be unavailable, and of no immediate use, and the credit of the Government must be pledged to raise means to carry on the Government, how can it do any good or afford any relief to this Government to postpone the fourth instalment? None, sir. Then why ask it? Why urge it? You gain no relief by it; it will not pay a single debt due. The millions of public moneys now in the banks on deposite are to remain there; the Government credits supply the wants of the Government, and what is to relieve the people from the sudden and unexpected and overwhelming pressure now in

the land? Do gentlemen go only to relieve the Government? Sir, it is the people who need relief, and they should have it if possible.

What, sir, provide for the Government alone? Propose means by Government credit, only to pay appropriations made by the Government, extravagant, useless, and often profligate, to pay the officers, agents, &c. of the General Government, and leave the people to work out their own salvation with fear and trembling! Sir, let the fourth instalment be made, the nine millions will go into circulation; although it be the bills of non-specie paying banks, the States will receive, and the people will take it, for they can get nothing else.

Georgia, sir, will receive it—she will take the bills of your deposite banks in that State; they are good, solvent, and able to afford relief. By executing the deposite law of 1836, you will render some small relief to the people; but yet the Government demands a postponement. In my view this ought not to be done if it can be avoided. Can we not so arrange it as to reduce the appropriations, and make the dividend by way of deposite with the States? Let me refer the Committee of the Whole to the report of the Secretary made to this House two days ago. He says:

"The tabular statement annexed, shows as desired, 'the amount of the appropriations of the past and present years, remaining unexpended,' to be $24,075,239 37."

This statement was in the following words:

Statement of the amount of appropriations of the past and present years remaining unexpended on the 11th of September, 1837, inclusive, agreeably to a resolution of the House of Representatives of the 11th instant, viz:

Balances of appropriations on the 31st December, 1836 - - -	$16,752,283 09
Appropriations made at the second session of the twenty-fourth Congress, exclusive of the Post Office Department -	28,575,837 10
Specific and indefinite appropriations made by former acts of Congress - -	2,824,250 10
	$48,152,370 59
Expenditures of the United States from the 1st January to the 11th September, 1837 - - - -	24,077,031 22
Leaving balances of appropriations 11th September, 1837 - - -	$24,075,239 37

In the call made on the Secretary he was required to state "what objects of public expenditure can, with the least injury to the public service, be either wholly dispensed with during the present year, or bear any material reductions." He replied, that a critical and minute examination on this point had been instituted in May last, the result of which was, that "enough could and would be postponed till next year to amount to about $15,000,000. Let us therefore dispense with this contemplated expenditure, and make the distribution of the fourth instalment; for all the States will willingly (he presumed) receive the notes of deposite banks, at least those in their own States. The people will then have a circulation.

Mr. D. contended still further in favor of his amendment, and said, in conclusion, that if he were mistaken in his views of the state and condition of the Treasury, the moment he was convinced he would conform his action to the facts; but, as at present advised, he could see no advantage to this Government to postpone the 4th instalment.

Mr. CAMBRELENG had been opposed to the passage of the deposite act, and had labored to prevent it: but it had become a law, and had received his obedience and concurrence. He claimed to be the very last man who would devise a measure to thwart the execution of a law solemnly enacted by Congress, and, on the contrary, would do all in his power to carry such law into effect, while it existed on the statute book, except one means, which he would never consent to; and that was, the creation of a debt by taxation to produce that surplus. Now there was no other mode to carry that law into effect but that one, and that one he must oppose. He then reiterated the former statements as to the present state of the Treasury.

Mr. BELL suggested to his friend [Mr. DAWSON] who had made the pending proposition, the expediency of postponing it at present, as one for which the House could not be expected to be prepared. It was hazarding too much to press an amendment so important upon the possible report that the Secretary of the Treasury might make. There certainly had been no proposition for the Executive to reduce the expenditures alluded to, notwithstanding what had been said by the chairman of the Committee of Ways and Means. He begged to know of that gentleman whether his views were based on any material error which he had discovered in the estimates of the Secretary. If there were no such error, then the discussion might be proceeded with, and the real state of the finances might be shown; and, moreover, that the payment of the fourth instalment might be better made now than ever, with perfect ease and convenience, inasmuch as he understood that the depos te banks owed the Government more than what was due the States under the deposite act by nearly ten millions of dollars.

Mr. CAMBRELENG explained. The Secretary's and his own results were the same, but attained by somewhat different processes. The gentleman from Tennessee [Mr. BELL] was in error, he would repeat, (alluding once more to the statements he had just laid before the House,) in relation to the surplus of nearly ten millions, in bank, over the amount of the fourth instalment. Drafts were already drawn and accepted by the banks for the third instalment. Four and a half millions, in drafts of every description, receivable as specie, were payable out of that amount alluded to by the gentleman from Tennessee, [Mr. BELL.] Then there was a million and a half in Treasury drafts, held by the Bank of the United States, and more yet to be presented to such as would receive them in payment of public dues. Would the gentleman (asked Mr. C.) propose that Government should draw still other drafts on the same money? And he repeated, that between his own and the Secretary's estimates there was no material discrepancy, when properly explained and understood.

Mr. BELL was glad to hear this, and hoped it would prove so. He thought the House would be prepared to act more understandingly to-morrow. He therefore proposed that the committee rise.

Mr. CALHOON, of Kentucky, had one word to offer. He proposed the printing of Mr. CAMBRELENG's statements, just read to the committee.

Mr. CAMBRELENG promised that they should be printed in the daily journals.

Mr. BELL requested the gentleman [Mr. DAWSON] from Georgia (who was then about moving that the committee rise) to withdraw his amendment to the bill under consideration; but that gentleman preferred that the committee should rise, but gave way to

Mr. RHETT, of South Carolina, who demanded more light on the subject of the Treasury report. Two statements had been made to the committee, clashing with each other. For one he was in the dark.

Mr. SERGEANT, of Pennsylvania, rose, and remarked that he would himself be less embarrassed if the amendment of the gentleman from Georgia [Mr. DAWSON] could be withdrawn. That proposition was in two parts, the latter of which required the Secretary of the Treasury to do only what it was his duty by law already to do. The true mode of legislating was, he conceived, to hold the Secretary to the performance of his duty, as prescribed by law. The

other part of the gentleman's proposition was an inquiry of the Secretary as to the amount of appropriations which could be easily dispensed with. It was true, he agreed, that if we could be satisfied that it was in our power to dispense with the application of appropriations to such an amount as would leave, after paramount obligations were complied with, as much as would amount to the deposites yet to be made with the States, such an appropriation of that amount ought to be made. And this view of the subject remained unaltered by the amount of *deficit* which might he shown to exist. It behooved those who opposed the payment of the instalment now due, or about to become so, to show why that, any more than any other, appropriation by Congress should be withheld. The gentleman from New York [Mr. CAMBRELENG] had taken it on himself to say that this instalment could not be paid, consistently with existing paramount obligations. Perhaps this was so.

Mr. S. then went on to remark that Congress had passed a law making a certain appropriation of the surplus revenue of the Government, which was at the time represented as being about twenty-four millions of dollars. Congress had not prescribed the amount to be divided thus, but had enacted that all the surplus in the Treasury should be subject to this division, less five millions of dollars to be reserved. There were, by this time, to have been about forty-two millions, and, from this deducting five millions, there were left thirty-seven. The States have accepted three instalments out of this amount, and the other was due. If twenty-eight millions out of the thirty-seven had been paid, and there was nothing now, the other nine millions had been otherwise expended. That seemed clear.

Mr. S. then looked at the statement made by the Committee of Ways and Means, and referred to the distinction there made between the available and unavailable means of the Treasury to meet the demands upon it. The difference between the amount of the demands and the amount of the available means was what was now to be supplied. There were many of these demands, doubtless, which, when inquired into, could be dispensed with. And he submitted to the gentleman from Georgia [Mr. DAWSON] that this was an independent question, to be discussed by itself; and he hinted the expediency of withdrawing the proposition, now pending, to amend, until the statement of the chairman of the Committee of Ways and Means could be obtained; and the main question, disembarrassed of this amendment, could be discussed. He should probably avail himself of such an opportunity to give his reasons for opposing the bill under the consideration of the committee.

Mr. THOMPSON, of South Carolina, said that the explanation of the chairman of the Committee of Ways and Means, which was in conformity with his own impressions, had not diminished but increased his anxiety for the information called for by the resolution of his friend from Georgia. I understand (said Mr. T.) that the whole funds of the Government, except five millions, which were reserved, were set apart for distribution. Trusting to the accruing revenues to meet accruing disbursements, there is a balance of unexpended appropriations of twenty-four millions. If there were funds to meet them, I would curtail these appropriations so as to save the necessity of a repeal of the fourth instalment. But, when I am told that there is no fund to meet these appropriations, I am the more anxious to know what these appropriations are, and how far they may be curtailed. I will not leave their curtailment to Executive discretion. I would make that curtailment specific, authoritative, legislative. To do otherwise, is at once to create a debt of more than thirty millions; twenty-four to meet appropriations, and near ten to distribute among the States. If this fund will be received by the States, and is unavailable to the Government, I shall vote against the bill. But, if it is unavailable to the Government, what aid do we give by repealing the appropriations? Do we aid a beggar in the streets, how miserable soever may be his condition, by the gift of a piece of brown paper? The only aid that it will give the Government will be to protect it from the just odium of having reduced the country from a high and palmy state of prosperity to the condition of a borrower, or to crush the banks with a demand of twelve millions of specie, in their dangerous, ferocious, I had almost said atrocious, experiment of a metallic currency.

But, on the other hand, if this fund in the deposite banks will not be received by the States, I will not vote for the issuing of Treasury notes, only another form of loan, to raise a fund to be distributed. I see no difference. There is no difference between raising a surplus by a tariff to be distributed, and raising that surplus by loan or Treasury notes, to be paid by a tariff. If these funds in the deposite banks have ceased to be available, they are not money; they are mere choses in action. The Government has no surplus. The case provided for does not exist. Suppose all these funds designated for distribution had consisted of specie, and had been deposited in New York, and the city had been sunk by an earthquake, would the Government have been bound to have raised another fund by loan, only to be distributed? Clearly not. The illustration is almost the identical case. There has been a great commercial earthquake, and would to God that our deposites were all that has been swallowed up. The fortunes and the happiness of thousands have been destroyed, and we owe no thanks to the Government that our national character has not been destroyed also. The gentleman from Georgia [Mr. DAWSON] says that his State will receive her share in the bills of her banks; so will South Carolina; she knows her banks to be sound, and that they are so universally regarded, and she will not dishonor the banks and the State by demanding a currency better than that with which her people are satisfied, and especially when the State can only pay her debtors in bank notes. But how are States to receive their shares which have no money on deposite only by Treasury notes, which is, I repeat, to create a public debt, which I will not vote to create for the mere purpose of distribution.

Mr. HAMER contended that the right to the money proposed by the deposite act to be divided among the States as deposites for safe-keeping remained with the Government, and was not transferred by that act to the States. The States, therefore, had no vested right to the instalment now proposed to be postponed. He likened the claim set up to the right of the States to this money, to the assumption which might be made by a man, that because having owed ten thousand dollars and paid three, leaving seven due, he had, therefore, three thousand in pocket. The amount of unexpended appropriations does not indicate the amount of money in the Treasury. It was a mere appropriation of Congress, to be paid, not now in the Treasury, but to be there. Now there seemed to be necessary for the purposes of Government for the present year, nine millions of dollars. Fifteen millions of appropriations may be dispensed with, as not immediately nor pressingly demanded. How are the nine to be raised, and when? The gentleman from South Carolina [Mr. THOMPSON] had spoken of unavailable means; by which, he understood, was meant no means at all. The wheels of Government meanwhile must go on; they cannot stop; and means to prevent this must be resorted to. The Government not being able to pay its debts, proposes, like an honest individual, similarly situated, to call on its debtors, and to take time to collect its dues, in the mean time giving its notes, payable hereafter, when those due shall have been collected.

Mr. CAMBRELENG made a few remarks in reply to the gentleman from South Carolina, [Mr. RHETT.] In the statement made in the commencement of this debate, allu-

sion had been had to the state of the Treasury, as on the 1st of October next, and the quarter then commencing, in order to show the resources of the Treasury. He did not intend then to go into the entire resources of the country, although prepared to do so when proper. This question would properly come up on the discussion of the Treasury bill. This was a question of depositing, not paying money, as had been properly distinguished by the gentleman from Pennsylvania, [Mr. Sergeant.] When the other bill (the Treasury bill) should come up, Mr. Cambreleng would show that the amount of Treasury notes now proposed would also be required for one or more years to come.

Mr. WISE. Were the statements that day introduced by the chairman of the Committee of Ways and Means furnished by the Department for the chairman, or for the House?

Mr. CAMBRELENG. They were made by the chairman of the Committee of Ways and Means at the Department, in his own way, and had never been before the committee itself. They were his own minutes. Mr. Cambreleng dwelt on the necessity of study in investigating the complex concerns of the Treasury Department, and averred that it was a science in itself, and not by any means a simple one.

On motion of Mr. BELL the committee then rose, reported progress, and had leave to sit again; and immediately the House adjourned.

Tuesday, September 19.

Petitions and memorials, in large numbers, were presented against the annexation of Texas to the Union, and other objects.

Mr. ADAMS asked leave to offer the following resolution, which was yesterday ruled out of order by the Chair:

Resolved, That the power of annexing the people of any independent foreign State to this Union, is a power not delegated by the constitution of the United States to their Congress, or to any Department of their Government, but reserved to the people.

Mr. HAMER objecting to the reception of the motion as not being now in order.

Mr. ADAMS moved that the rules be suspended for the purpose of enabling him to introduce the resolution; and on this motion demanded the yeas and nays; but the House refused to order them, and the motion to suspend the rules was negatived.

The States being then again called in order for the offering of resolutions, and Massachusetts having been called, Mr. Adams again offered the same resolution, and moved that it lie on the table; which motion was agreed to.

IMPORTATION OF WHEAT.

Mr. TALIAFERRO offered a resolution calling on the Secretary of the Treasury for a statement of the quantity of wheat which had been imported into the ports of Baltimore, Philadelphia, New York, and Boston, within the last and present fiscal years.

Various modifications of the resolution were proposed by Messrs. HAMER, HAYNES, FILLMORE, McKAY, CAMBRELENG, UNDERWOOD, MERCER, and LOOMIS; all or most of which were readily assented to by the mover, who desired the information for the use of an agricultural society in Virginia.

Mr. EWING, of Indiana, moved to carry back the inquiry to the last ten years, and also add a clause calling on the Secretary, to state the causes, so far as known to the Department, of the great increase of importations within the last two years. He assigned, as a reason for his amendment, that in his part of the county the importation was attributed to a want of labor on the part of the people, and hence it was inferred the distress of the country proceeded, and therefore we must have a Treasury bank, &c. Now, in his opinion, there was already a great deal too much ploughing. The course of the argument, and the data on which it was founded, seemed to him like the prescription of Shakespeare's fopling, who said:

> "The sovereignist thing on earth
> "Was parmaceti for an inward bruise."

There was no use in calling for insulated data; let the inquiry be sufficiently extensive to warrant some result; let the call go back to the year 1827, when the currency was sound, and the People prosperous and satisfied—though there was less ploughing than at present. The blame of the present condition of things did not rest with the people, but with the people's servants.

Mr. TALIAFERRO said he had no objection to the inquiry's being made as extensive as any gentleman desired, but he had confined the call to the years '36 and '37, simply because, if there was any considerable importation of foreign grain previous to that time, it was unknown to him. He believed it would be but a light labor to report the amount previous to those years. He remembered when, in tariff times, the duty of twenty-five cents a bushel, on imported wheat, was proposed, it was treated with derision, as such importations were out of the horizon of all probability; up to that time none had been brought into the country, save as mere specimens of curiosity or for agricultural improvement.

The amendment of Mr. Ewing was rejected.

The resolution was then, on motion of Mr. HAYNES, amended by inserting twelve years in the place of ten, and the resolution, as amended, was agreed to by the House.

THE FLORIDA WAR.

Mr. WISE offered the following resolution:

Resolved, That a select committee be appointed, by ballot, to inquire into the causes of the extraordinary delays and failures, and the enormous expenditures, which have attended the prosecution of the war against the Indians in Florida; that said committee have power to send for persons and papers, and that it have power to sit in the recess, and that it make report at the next session of Congress.

Mr. CAMBRELENG inquired why it was proposed that the committee should sit during the recess?

Mr. WISE said, in reply, that the reason must be obvious. The committee could not even commence its labors before then; and there was little use in raising the committee, if its labors were to be confined to the adjournment of the present session of Congress. It was most extraordinary that two major generals employed in this war had been successively arraigned and tried by courts martial, while the only successful commander, General Clinch, when called as a witness in the trial, should have testified that no commanding general or subordinate officer was blame-worthy for the failure of the campaigns, but that the blame lay at the door of the War Department. In reply, the world had seen a labored defence from the late Secretary of War, General Cass; it saw the war still raging; and it was but yesterday that, in the midst of the general distress of the country, with a bankrupt Treasury, (bankrupt with a surplus of means!) the chairman of the Committee of Ways and Means had called for more than a million and a half of dollars to prosecute this ill-starred contest. Sitting in that House, as a representative of the people, while he never would hesitate in voting any necessary appropriation which was asked for, and would not stop to inquire how former appropriations had been expended, or how the sum asked for was to be applied, he felt it his duty, particularly at such a time as this, to inquire how the millions already given, and given on the mere request of the chairman of a committee, without even a statement of the Department to

back it, without an estimate, and without a report, had been spent, or rather wasted.

It was now universally admitted, he believed, that in this branch of the public concerns there had been mal-administration: that great errors had been committed. Was it not worth inquiry how the public money, so lavishly and hastily appropriated, had been expended? and was it not time that some steps should be taken to put an end to a war so disgraceful to the country? The universal opinion now was, that the course of the major general now in command was quite as objectionable as that of either of his predecessors. One of these had been publicly tried; and, though the court-marshal who sat upon his conduct had honorably acquitted him, its verdict had been by the order of the late Executive expunged. Shall we submit any longer to such a state of things? He said he had proposed that the committee of inquiry should be appointed by ballot: for this was no party movement. The administration was as much interested in the inquiry as the opposition, and so was the country at large. As the divisions of party stood now nearly upon a balance, all would have an opportunity of fearlessly placing such individuals upon the proposed committee as they thought would best discharge the duty to be accomplished.

Mr. EVERETT said that it had been his intention, when the bill making appropriations for the Florida war should come up for discussion, to offer some remarks on the general subject of that war, and the manner in which it had been conducted. At present he should regret extremely that any remarks should be indulged in, which went injuriously to affect the reputation of the late Secretary of War. Mr. E. had grounds to know in what manner that officer had acted in the discharge of his public duty, and he was satisfied that, whatever might have been the disasters of this war, no part of the responsibility rested justly on him. This had been his conviction then; it was his conviction now. Where the blame did rest he should not say. It was true, General Clinch had made use of strong expressions in his testimony before the court-martial; but he was persuaded they arose from a misapprehension of the real facts of the case. That brave man had not been fully aware of the position in which Gen. Cass stood.

Mr. GLASCOCK said that he duly appreciated the principles which actuated the gentleman from Virginia in bringing forward this resolution, but he differed from him as to the mode in which the proposed committee should be appointed. He could not believe that the adoption of the mode proposed would in the result make any difference; and he thought that prudence and propriety demanded that the usual course which had uniformly been pursued in the appointing of committees should in this case be observed. That the war against the Florida Indians had been a most unfortunate one, the whole country knew; and, as there existed a great diversity of opinion as to the causes of the unhappy failures which had occurred, it was but fair and right that a committee of investigation should be instituted, in order that the country might be placed in possession of all the difficulties which had existed, and all the disasters which had taken place, together with the true causes which led to them.

As to the question of who was in fault, he should express no opinion; but he must be permitted to say, in reply to what had fallen from the gentleman from Virginia, [Mr. Wise,] in respect to the late Secretary of War, that whenever a thorough investigation should take place, the War Department would have no cause for fear. It had been Mr. G's wish that such a resolution should be moved; because he had the firmest conviction that the character of General Cass would remain, as it had hitherto ever done, pure and spotless. From the expressions which had been employed by some officers engaged in the Florida campaigns, as well as from the remarks which had now dropped from the gentleman from Virginia, Mr. G. was anxious that an investigation should be gone into: he hoped the resolution would be adopted. Yet he thought it would be best to suffer the committee to be appointed by the Chair. On either plan there would be a majority on the committee of one or the other political party; then, what was more easy, or more likely to harmonize all minds, than to allow the usual mode to prevail? No difficulty would arise: the friends of all the generals would no doubt be placed on the committee; and that man must be recreant to his friend who, in such circumstances, would not see full justice done to his good name. The minority, in this case, as in all others, would have it in their power to place all the facts fully before the country. As to the proposal that the committee should sit during the recess, he could see no necessity for it whatever. All looked forward to a long session after the recess, when, he had no doubt, the facts would all be brought out in a report that would be fully satisfactory to that House and to the people. The country was looking for this investigation. For himself, he was willing that the blame should fall wherever it might: he was not prepared to say where it would fall; but, so far as he was capable of judging, no portion of it would touch the late Secretary of War.

Mr. CUSHING tendered his acknowledgments to his friend from Virginia for bringing forward this resolution. If there was any thing, in the whole course of the administration, which demanded investigation—any thing to which the people looked, as to a rotten point; a blot, a shame on the national repution, it was the conduct of that Florida war. He trusted the gentleman would press this measure to an issue, and would not cease until the whole management of that contest should be fully unfolded. Year after year, army after army had been marched into the morasses of that peninsula; and general after general had been dismissed, he would not say in disgrace, but to the tender mercies of a court-martial; the blood of our people had been wasted, had been squandered, in those arid sands; and all for what? To force a few Indians from a desert tract of country, utterly useless to any but themselves, and in violation of all that was dear to them, and to the perpetual disgrace of our arms and of the national character. More: we had enlisted Indians themselves to destroy each other; we had done that which, in the era of our national revolution, had been branded by the indignant voice of Chatham as the disgrace of the British arms. As if the poor wretches did not perish fast enough by the usual progress of our oppressive encroachments, we had enlisted them as merciless allies in the destruction and extermination of other tribes. On whose head the blame was to fall he would not say; it might be, as had been hinted by the gentleman from Virginia, on that of the late Secretary Cass.

[Here Mr. WISE interposed, and asked to explain. He had been mistaken by both gentlemen; he had cast no imputation on any individual; what he had said was, that the blame lay at the door of the War Department. It was there that the "*magna pars fui*" applied. He wished, while up, to say to the gentleman from Vermont [Mr. Everett] that he apprehended he was privy to causes of the disasters in Florida which had not been stated to this House, though much of what he knew had been obtained from that gentleman himself. The late Secretary of War would not be found to have been the author of the mischiefs which had occurred; but he believed it would appear that that officer had permitted himself to be overruled; that he had suffered himself to be used as an instrument in the hand of others, against his own better judgment; that he had, in a word, ceased to act as an independent officer of this Government ought to act; he had not stood up manfully to resist a course his judgment and conscience condemned. How the examination would turn out, however, he did not profess certainly to know.]

Mr. CUSHING resumed. The gentleman had brought him to the point at which he had been about to arrive. He did not believe the blame would fall exclusively, at all events, on the head of General Cass. He had read the testimony of General Clinch, a brave and gallant officer, surely, if there was one on the earth, and he would ask the gentleman from Virginia and the House whether, for the disasters which had occurred in the commencement of the war against the Seminoles, (and from which all the subsequent misfortunes had proceeded,) the responsibility did not rest on the head of Andrew Jackson? The truth needed to be spoken out. On a comparison of the statements of both Cass and Clinch, he was constrained to say that *there* rested the responsibility. That was the point to be proved; and it behooved this House, as the popoular branch of the Government, to probe that matter to the very bottom, that history might tell the story in the colors of truth.

Mr. GARLAND, of Louisiana, hoped the resolution would be adopted; and that the investigation would be so conducted as to bring out all the facts to open day; in so doing, they would do no more than was required of them by their country. He had not formed an opinion on whom the responsibility would be found to rest. He had now, however, risen chiefly for the purpose of stating one or two facts which he had heard personally while travelling in Flordia; and he stated them to show the propriety of an investigation. He had had it explicitly stated to him that in one case forty cords of wood had cost the United States seven thousand dollars. Another fact had been openly stated as a matter well known: that for a single trip of a certain steamboat up the river Appalachicola, her owner had received a sum sufficient to pay the whole cost of the boat. The individual who had made this statement to him was now in this city, or had been a day or two ago. From what he had heard, he was satisfied that the public money had, in many cases, been worse than thrown away. It was certainly due to the country that there should be an investigation into the matter.

Mr. BOND said that he also had heard some facts which went to show the same thing. He was informed that in a certain instance $20,000 had been drawn by a private individual professing to be a captain of volunteers, who had presented all the papers necessary to make out that fact in due form, when in fact he had but four or five men. [Mr. Bond was imperfectly heard by the Reporter—he gives the case as he understood his statement.]

Mr. B. referred to a case during the last session, where $80,000 had been appropriated on the mere request of the chairman of the Committee of Ways and Means, with a promise that inquiry should afterwards be made into its application; and soon after a bill was introduced granting a million to the same object. This had been during the pendency of the deposite bill. In fact, whenever that bill was pressed, some large appropriation for the Florida war had always been asked for as a counteracting argument. Now a million and a half more were asked for, just when a bill to postpone the last deposite with the States had been passed in the Senate. He did not make any imputation on the chairman of the committee, but the course of things would certainly admit an inference that this Florida war was kept in reserve to be brought forward at time of need to operate on other measures.

Mr. CAMBRELENG repelled with some warmth what he considered as an imputation on him. Had the returns from the Department come in this morning as had been expected, the gentleman would see from them that money had not been asked for to carry on this war until the Treasury was literally exhausted.

Mr. WISE said he would modify his resolution in consequence of what had fallen from the gentleman from Massachusetts, so as to include as the objects of investigation not only the failures in the Florida war, but the causes of the war itself. Mr. W. added that he had been informed by a gentleman who had been in the employ of Government in Florida, that the celebrated chief *Opothleohola*, a well-known friend to the white man, and a chief of great influence among the Creeks, had been employed by General Jesup as an ally of the United States, and to aid in the suppression of the Creek war, on the express condition that if he succeeded he should be permitted to reside on his lands until he could settle the title and remove conveniently. Yet, the moment through his exertions the Creek war had been brought to an end, this very Opothleohola saw himself surrounded by the bayonets of General Jesup, and ordered off the soil. The indignant chief had produced the written agreement of the American General, and pointing to the signature, had demanded of the officer who was removing him, "is not that signature genuine?" Thus was one of our own allies, in direct violation of the plighted faith of our commanding General, and of the nation, driven from his land. He wished all these things fully looked into.

Mr. UNDERWOOD inquired whether this stipulation of General Jesup had ever received the sanction of his superior, or had ever been submitted for such sanction?

Mr. WISE said he was unable to tell. He made the statement as it had been represented to him.

The further debate was here cut off by the expiration of the hour allotted to the consideration of resolutions, and the House passed to the orders of the day.

FOURTH INSTALMENT BILL.

The House went again into Committee of the Whole, (Mr. Haynes in the chair,) and took up the Senate's bill to postpone the fourth instalment of deposite with the States.

Mr. DAWSON, to avoid embarrassing the discussion of the principle of that bill, withdrew the substitute offered by him yesterday, when

Mr. BELL, of Tennessee, said, that although this was one of a series of measures, the tendency of which was to consummate an important and favorite policy of the Administration, and for that reason might afford any latitude of debate that might be desirable to those who wished to enter into the discussion of any one or all those measures, yet he should not avail himself of this liberty. He considered the question directly connected with the measure proposed in the bill under consideration of sufficient importance to engage his attention on this occasion. Again: the other measures to which he had alluded, and which were proposed in connexion with this one, as different parts of one and the same general system, were each of them of weight and interest enough to demand and receive a separate discussion, and a separate determination of the questions they involved.

It cannot be disguised, said Mr. B., that the bills already reported in this House, and which received the sanction of the Senate, whatever gentlemen might profess, and whatever some of them might perhaps very honestly think, were so many features of a project which found extensive countenance, and the object of which was to establish, in fact, a national bank—a Treasury bank of deposite and issue. Disguise it as they may, such a plan has been conceived, and not only conceived, but actually embodied to a considerable extent in the bills which have been reported from a committee of this House. The plan is to establish a Government bank under the proper disguises for the present, and through its agency to substitute a circulating medium composed of Federal Government paper instead of the notes of State banks. We have the germ of this bank now before us; its parts are already sufficiently developed to indicate its true character. At another session, or in another Congress, by one or another addition, by way of

amendment, we shall eventually behold the monster developed in all its frightful proportions. Such a subject is surely of consequence enough by itself to occupy the attention of the House, without connecting it with the less important subject under consideration.

But the questions presented by this bill are of great interest to the country. It is true the object to be accomplished by it has less connexion with the great results to which I have alluded than any one of the other measures proposed for our adoption; and I believe it will be found upon examination to have originated more from the settled hostility of the administration to the policy of the deposite law of 1836, than from any actual necessity of the Government, or its tendency to promote the favorite fiscal policy of the Executive; but still it is of a piece with the general conduct and policy of those in power. One question which will be found to arise under the present bill involves the public faith. The question is presented, whether Congress or the Federal Government is not bound to keep its promise, or comply with its engagements with the States of the Union, by obligations as strong as any that can exist between it and its creditors, of any other nature or description. It is a question whether, if the States agreed to accept the deposite of the surplus in the Treasury, according to the terms of the act of 1836, by which it was tendered to them, there was not from that moment a contract between them as obligatory as any other compact between the Government and the States can be. Can the General Government, without consulting the other parties to this arrangement, dissolve it without a breach of faith?

But, sir, there is another and a much more impressive and important inquiry which presents itself in considering the effect of this bill: I mean the great question whether the expenditures of this Government are to be reduced now or ever? This is now the issue, and it is to be determined almost exclusively by this House. We already know the determination of the Executive branch of the Government, and all the influence attached to it; and we know, too, the decision of the other branch of the National Legislature. It devolves upon this House, I repeat, to settle the issue, whether the expenditures of this Government, after having been increased nearly threefold within the last few years, are to be reduced now or ever? These are questions truly which may command our exclusive attention for a season. With these convictions, and a corresponding determination, I shall proceed to make as succinct a statement of what I believe to be the existing condition of the Treasury as I can, that it may be seen whether the repeal of the act of 1836, proposed by the bill under consideration, is demanded by the state of the Treasury, or by the public interest; for, if it be so, I shall be prepared to give it my support.

Much confusion was produced yesterday by the mere statement of the condition of the Treasury, which was presented to the House by the chairman of the Committee of Ways and Means, [Mr. CAMBRELENG.] I do not mean to say that the statement of that gentleman varies materially from that of the Secretary of the Treasury, but certainly it was well calculated to add to the difficulties which all must have felt in coming to any satisfactory conclusion as to what is the real state of the National Treasury.

I propose to present a statement based upon the facts and estimates contained in the several reports made by the Secretary of the Treasury at the present session, which I believe may be relied upon. At all events, I shall be obliged to any gentleman who shall detect any error in my statement to point it out to me as I proceed.

The whole amount chargeable by law upon the Treasury, during the present year, (1837,) is - - - -		$85,621,228
Viz: The amount ascertained to be in the Treasury on the 1st January, 1837, after reserving $5,000,000, according to the act of 23d June, 1836, providing for the deposite and distribution of the surplus in the Treasury among the several States - -	$37,468,859	
Balance of appropriations of former years remaining unexpended on 1st January, 1837	16,752,282	
Appropriations for the ordinary service of the current year, (1837) - - -	31,400,087	
Aggregate charge upon Treas.		85,621,228
The whole amount of moneys in the Treasury during the present year, (1837,) and applicable by law to the payment of the charge upon it, above stated, is - - - -		64,326,170
Viz: The sum ascertained to be in the Treasury on the 1st January, 1837 - -	42,468,859	
Additional sums ascertained by subsequent returns from banks to have been in the Treasury on the same day -	1,670,137	
Receipts into the Treasury from the customs, sales of public lands, and other sources, during the two first quarters of the current year, (1837) -	13,187,182	
Receipts into the Treasury, estimated for the two last quarters of the current year, (1837,) upon the supposition that the merchants' bonds will be extended for six months - - -	7,000,000	
Add this further amount, ascertained to have been received into the Treasury during the two first quarters of the year, and omitted to be stated in carrying out his aggregate of receipts, in the report of the Secretary of the Treasury, by mistake -	513,263	
Making the aggregate of means in the Treasury during the year - - - - -		64,839,441
By this statement it appears that the means in the Treasury, during the current year, will fall short of the amount chargeable by law upon it by - - - -		20,781,787
But it has happened that, at the end of every year, for several years past, there was a large amount of the charges existing against the Treasury by law, which was not demanded within the year; and the Secretary of the Treasury states in his report to the House, dated the 11th September instant, (1837,) that he has already ascertained that the sum of $15,000,000, included in the amount above stated as chargeable by law upon the Treasury, will not be wanted or called for during the year. This sum may, therefore, be deducted from the amount first stated as the aggregate of the charges against the Treasury during the year, which will then leave an actual demand against the Treasury during the year amounting to - - -		70,621,228

And exhibit a deficit of means in the Treasury to meet the actual demands of it during the year, amounting only the sum of 5,781,787

But this deficit is more apparent than real; for we think there is a large sum of money in the hands of superintendents of public works, of officers attached to the subsistence department of the army and navy, and disbursing officers generally, which ought, in truth, to be put to the credit of the Treasurer, and be stated as a part of the moneys in the Treasury, but which, in fact, is not so stated. The Secretary, in his report of the 11th of September instant, admits that the sum of $5,000,000 was then in the hands of disbursing officers. If this sum be added to the amount of moneys above stated to be in the Treasury during the year, the amount will stand thus:

Amount of actual demands against the Treasury during the current year, (1837) -	$70,621,228
Actual amount of moneys in the Treasury to meet the demands upon it during the year	69,839,441
Deficit - - - - -	$781,787

This small defalcation, let it be borne in mind, is brought out by a statement based exclusively upon the statements and the estimates of the Secretary of the Treasury. For the most obvious reasons, his estimates of receipts into the Treasury, as well as his estimate of the probable expenditure during the remainder of the year, must be viewed as having been made upon the minimum basis as to receipts into the Treasury, and the maximum as to expenditures. I do not, indeed, deny that this was his duty. He should always make his calculations so as to have means enough to meet all probable demands; but in this case there has been a more powerful motive than usual to underrate the receipts, and to overrate the expenditures—the interest felt in making out a case which will justify the repeal of the deposite act of 1836; at least so far as the future and last payment to the States is concerned. But for this interest there can be but little doubt that he could have ascertained that some seventeen or eighteen millions of the existing charges against the Treasury might be postpone until next year, instead of the $25,000,000, as stated in his report; perhaps even $20,000,000, or more might have been stated as the probable amount of the unexpended balances at the close of the present year. The same remarks will apply to his estimate of the probable receipts into the Treasury during the last two quarters of the year. I have taken his estimate of seven millions; but really, whether any greater indulgence is given on duty bonds or those he has recommended, or not, it seems to me that his estimate is too small. But without noticing this point further at present, I proceed to make a statement of the expenditures of the present year, founded also upon the facts and estimates of the several reports of the Secretary of the Treasury. Any statement of the expenditures only answers the purpose of elucidating and verifying the statement already made of the actual and probable demand upon the Treasury during the year. Such a statement will serve only to show the different items of which the charges admitted to exist against the Treasury consists.

Whole amount of expenditures for the current year, 1837, as appears from the several reports of the Secretary of the Treasury, will be - - -	$70,545,098
Viz: Amount already expended or withdrawn from the Treasury between the 1st of January and the 11th of September instant, and now being expended for the ordinary service of the current year, 1837 - - - -	24,075,239
The amount drawn from the Treasury and paid to the States, or for which transfer drafts have issued and stand charged to the States under the act of the 2d of June, 1836 - - - -	28,101,645
Aggregate expenditure of all descriptions between the 1st of January and the 11th of September instant - - -	52,176,884
Estimated amount of expenditure for the remainder of the year, or until the 1st of January, 1838, viz:	
For the ordinary service of the Government - - - -	9,000,000
For the payment of the 4th instalment due the States under the act of the 23d of June, 1836 - - -	9,367,214
Total of expenditures for the current year, (1837,) and which will be seen to be equivalent to the total amount of the actual demands or charges against the Treasury, as already stated in another form - - - -	70,545,098
Difference between the expenditures, actual and required, during the year, and the amount of moneys actually at the disposal of the Government, as before stated - - - -	781,787

This, then, is a true exhibition of the Treasury, and of its ability to meet the demands against it during the present year, including the 4th instalment due the States under the act of 1836, according to the statements and estimates of the Secretary of the Treasury himself. The only exception which can be taken to the statement which I have made, is, that the amount of $5,000,000 in the hands of disbursing officers, which I have stated as being at the disposal of the Government, and which ought to have been enumerated as a part of the moneys on hand to meet accruing expenditures, is already expended, or at all events cannot be made liable for any other object of public expenditure, than those to meet which they were drawn from the Treasury. I insist, sir, that these moneys are an actual subsisting fund on hand, and constitute as much a part of the actual and available means of the Treasury, as any other moneys of the same amount. It is true that amount of money has been drawn from the Treasury, to be expended upon certain specific objects; but what are those objects, and how do they differ from those objects which call for expenditures in some one or all of the remaining months of the year? Those objects upon which a great part of the nine millions, the estimated amount of expenditures for the last two quarters of the year is to be expended? They are the same; and to make these moneys actually available within the year, it is only necessary to require of the disbursing officers attached to the various departments of the public service, to exhaust the funds already in their hands, before they apply to the Treasury for any new supply. In this way we shall find that the Treasury is, and has for several years been, richer by five or six millions than in fact it has been represented to be by the Secretary. I have heretofore denounced this practice of keeping out five or six millions in the hands of disbursing officers as a gross abuse, and one which calls for redress. It has only sprung up within the last few years, and is only one of a great number of similar abuses which have arisen from a redundant Treasury.

In former times, some half million or a million of dollars was regarded as a large amount to be outstanding, and unexpended in the hands of disbursing officers. Scarcely any contingency can arise at a time when the Government has so many depositories of the public moneys, situated in every part of the Union, that a greater amount than half a million could be required to be placed, at any one time, in the hands of disbursing agents or officers. It is a practice not only dangerous to the safety of the public funds, but which gives rise to the increase of favoritism, and an ex-

tension of the Government patronage connected with the Treasury, in a form the most corrupting, as well as injurious to the public service. It was stated towards the close of the year 1835, by the newspaper organ of the Government, printed in this city, that the amount then in the hands of the disbursing officers of the Government, unexpended, was about six millions of dollars. Upwards of five millions are stated to have been in their hands, by the Secretary of the Treasury, on the 1st of May last, and a similar amount is admitted to have been in their hands on the 11th of this month. In truth, sir, this has now, in practice, become a standing dead fund, so far as the public use of it is concerned. Instead of lying in the hands of disbursing agents, or being doposited to their credit in the banks from month to month and from year to year, I wish it brought forth and actually expended during the present embarrassed condition of the Treasury and the country. It is now contemplated that this amount, or an average amount, will be in the hands of disbursing agents at all times; and it is upon this calculation that it is contended that this fund will add nothing to the means stated to be in the Treasury. I affirm that, if you will require these five millions to be actually expended, to the dregs, during the remaining quarter of the present year, it will diminish the estimated demands upon the Treasury during that period by that amount. I insist, too, that this is the proper time to cure this evil. It has already been shown, that if this amount can be applied to the public service during the year, besides what is not yet drawn from the Treasury, the fourth instalment can be safely paid to the States, without leaving any material deficit in the Treasury, even admitting the receipts for the two last quarters of the year to be no more than they are estimated by the Secretary himself.

But it is contended by the chairman of the Committee of Ways and Means, [Mr. CAMBRELENG,] that at least one million of the moneys in the Treasury should be reserved for the purposes of the mint. I say, sir, that at such a crisis in our fiscal affairs, it is idle longer to be deluded by the expectation that the country or its currency is to be relieved by the operations of the mint! We have had quite enough of such experiments already. It is said, however, by the gentleman, that five hundred thousand dollars are already in the mint. In reply I say, let us un-*mint* it, then, if I may *coin* a word, and I am sure my coin is in quite as good taste as the new gold and silver coins which have issued lately from the mint. I say, can we not reach this fund by law, if necessary? Let us reduce the amount employed in the mint for the present, and until we shall have the means of carrying out the policy of recoining all the gold in this country, or that can be got from other countries. [Mr. MERCER informed Mr. BELL, that the amount formerly required for the use of the mint was only 200,000 dollars.] We have only, then, (continued Mr. BELL,) to bring back the operations of the mint to the standard which answered so well until the recent experiment commenced upon the currency.

The gentleman from New York [Mr. CAMBRELENG] also contends that we must provide the means of keeping a contingent fund of four or five millions always in the Treasury, and he reminds us that that amount was required to be reserved in the Treasury by the deposite act of 1836. Does the gentleman mean to say that this fund must always be in the Treasury? Does he regard it in the light of a fixture, which, for the honor and safety of the Treasury, is never to be removed or disturbed? Sir, for what purpose is a contingent fund desirable or useful, but to meet just such a crisis—just such an emergency as the present? It is the very purpose of its creation to meet unexpected calls upon the Treasury—to supply unexpected deficiencies, at periods like the present. No such absurd idea as that which seems to have weight with the gentleman from New York ever entered the heads of those who recommended the policy of always keeping a contingent fund of any amount in the Treasury. [Mr. MERCER here informed Mr. B. that the amount formerly regarded as a sufficient contingent fund was only two million.] And even that amount (said Mr. B.) was designed to answer demands upon the Treasury, when there should happen to be no other funds on hand.

It has been argued that in any form in which the means of the Government can be presented, there will be a deficit, or an excess of the amount chargeable by law upon the Treasury during the year over the moneys at the disposal of the Government. This is true, if we include the fifteen millions chargeable upon the Treasury, which the Secretary himself admits may be postponed until the next year, (1838); but, sir, we are called here to provide the necessary means to carry on the Government and pay all demands upon its Treasury during the present year. It is not our business to anticipate the future demands upon the Treasury, and to provide for them, though we are providing an ample fund for that purpose, if we postpone the collection of all the outstanding duty bonds until the next year. It will be the proper business of the next session of Congress to provide for the expenditures of the year 1838; and we shall then do it, after having the benefit of another report from the Secretary of the Treasury, in which it will be his duty to point out the ways and means of meeting the expenditures of the next year. We have enough to do now, to provide the means necessary to meet the expenditures for the remainder of the present year.

It is true, Mr. Chairman, that we have now an estimate before us for an additional expenditure for the support of the war against the Indians in Florida of $1,600,000. If this was not anticipated and included in the estimates of the expenditures for the remainder of the year, submitted by the Secretary of the Treasury in his report to the House, it will increase the deficit or balance of charges upon the Treasury during the year, over the means at the disposal of the Government, by that amount. But, sir, even with that addition, the deficit will not be serious, and will constitute no substantial obstruction to the payment of all demands upon it. A small amount of receipts into the Treasury during the last two quarters of the year, or if half the amount of the Treasury protested drafts admitted in the report of the Secretary (4,000,000) to be now in circulation should continue, which will no doubt be the case, there will still be no actual want of means in the Treasury during the year.

In the statement I have made of the condition of the Treasury, it must be remembered, I have taken the statements and calculations of the Secretary of the Treasury as the basis.

But let us see what sort of a report upon the financial condition of the country we might have expected, and would probably have received, from an administration which was not hostile to the policy of the act of June, 1836, and which had no interest in embarrassing the States, and in making the distribution act unpopular; or, if such an interest was felt, was too magnanimous and patriotic to be actuated by such motives.

A truly republican and patriotic Executive, I can readily suppose, would have made some such statement as the following:

Whole amount chargeable by law upon the Treasury during the year 1837, inclusive of the amount due the States under the act of June 1836, viz:		
Balance of appropriations of former years remaining unexpended on the 1st of January, 1837, -	$16,752,283	
Appropriations for the year 1837, exclusive of the Post Office Department -	31,400,087	
		$48,152,370

From this amount, however, may be deducted the following sums, viz:		
Amount of appropriations for the year 1836 and the present year, which will probably not be required during the present year - - -	$16,500,000	
Amount of appropriations for the years 1836 and 1837, which may be withheld from the objects to which they were appropriated if Congress shall consent, without any material injury to the public service - - -	5,500,000	
Making an aggregate of		$22,000,000
Which being deducted from the sum stated as the whole amount chargeable upon the Treasury during the present year, will leave a balance of existing appropriations which will probably be required to be expended for the ordinary service of the year (1837) amounting to - - -	$26,152,370	
Add the amount of the 4th instalment due the States under act of the 23d June, 1836, which is yet unpaid -	9,367,214	
And the whole amount of the actual demands upon the Treasury during the current year will be - - - -		35,519,584
To supply this necessary demand upon the Treasury, the following means may be stated as at the disposal of the Government during the current year, viz:		
Balance in the Treasury on the 1st of January, 1837, after setting apart the amount due the States according to the act of 23d June, 1836 - -	$6,690,137	
Receipts into the Treasury during the two first quarters of the current year - -	10,700,445	
Estimated receipts during the two last qurters of the current year - - -	10,000,000	
The amount of the 4th instalment due the States under the act of 23d June, 1336, which was set apart on the 1st January, 1837, and which has not yet been drawn from the Treasury - - -	9,367,214	
The amount remaining in the hands of disbursing officers which, though drawn from the Treasury, is unexpended, and may fairly and perfectly be regarded as at the disposal of the Government, and applicable to the service of the current year - - -	5,000,000	
Aggregate of means		$44,737,406

By this statement, it appears that there will be a surplus in the Treasury amounting to $9,218,822.

The only explanations which this statement may seem to require relate to the estimate of receipts for the two last quarters of the year, and the proposed reduction of the expenditures.

I have estimated the receipts into the Treasury from all sources during the two last quarters of the present year at $10,000,000, or at the rate of $20,000,000 for the whole year. I observe that the chairman of the Committee of Ways and Means estimates the receipts for the last quarter of the year at $4,000,000, which is only one million less for the quarter than the estimate I have stated. He gives us no estimate of the receipts for the third or current quarter of the year, nor does the Secretary of the Treasury favor us with his estimate for the third quarter. He contents himself by stating the probable receipt in one contingency at $9,000,000; in one other contingency, at $7,000,000; and in still another, at $4,500,000. The amount is undoubtedly contingent, but I think the estimate of the Secretary is too low, in any event affecting the revenue that is at all probable. But suppose, sir, that I have overrated the receipts for the two last quarters of the year by $3,000,000, and that the expenditures have been estimated too low by an equal amount, there will still be an excess in the Treasury of $3,218,822.

But the reduction I have proposed in the expenditures of the year demands a fuller explanation. It will be seen that I have stated the unexpended balances at the end of the present year at sixteen millions and a half. This is less than the amount remaining unexpended at the close of the year 1836, and it ought to be borne in mind that most of the items of appropriation which remained unexpended at the close of last year are still outstanding, and must of necessity, compose the principal of the fifteen millions which the Secretary admits will not be called for during the present year. The appropriations for the present year, applicable to a great variety of objects, are unusually large and extravagant. In stating a much lower estimate of expenditures for the present year than that submitted by the Secretary of the Treasury, I have supposed that there might be a decided determination in this House, under the extraordinary circumstances of the times, to insist upon a very considerable reduction of the expenditures of the Government. I am sorry that the Secretary has not thought proper to make a more detailed statement to the House than he has done upon the subject of the unexpended balances of existing appropriations, that we might speak and act upon this subject with greater certainty. I beg leave, however, to submit a statement of appropriations for the present year to a great many objects, amounting in the whole to a much larger sum than I have stated in the general estimate I have just presented; which, in my opinion, may be properly dispensed with during the present year, either in whole or in part, and which, I venture to say, do not constitute any material proportion of the fifteen millions which the Secretary supposes may be safely postponed till the next year.

For public buildings in the city of Washington	$357,000
For various additions and improvements connected with the mint - - -	202,500
For surveys of public lands - - -	147,500
For national armories - - -	360,000
For the armament of fortifications - -	200,000
For arsenals - - - -	373,000
For constructing new wall, &c., at Harper's Ferry - - - - -	53,000
For arming and equipping the militia -	100,000
For ordnance and ordnance stores - -	72,000
For improvement of navy yards - -	538,550
For building two sloops of war - -	280,000
For six vessels of war, &c. - -	400,000
For construction and repair of certain roads -	462,496
For removal of obstructions in and at the mouths of certain rivers, harbors, &c. - -	1,912,188
For new light-houses, light-boats, &c. -	921,000
Aggregate amount - - -	$6,376,734

I have made out this statement of the principal items of the appropriations for the present year, which caught my

eye in running hastily over them, and which appeared to me might be retrenched with the least injury to the public interest. The sum might be easily swelled, by the addition of various other appropriations of a similar character, to eight or nine millions. [Mr. B. was here reminded, by gentlemen sitting near him, of the exploring expedition, the new custom-houses, &c.] I am aware that I have omitted in the statement I have presented a large number of appropriations equally extravagant and uncalled for. But to illustrate the general character of these appropriations, I would call the attention of the committee to the fact, that although we have been repeatedly informed from the proper department of the Government that light-houses had been multiplied beyond any actual necessity upon our Lake and Atlantic coasts, yet we find nearly a million appropriated to new ones during the present year. Except the improvements of this nature projected in the entrance to the harbor of New York, I venture to assert, that scarcely one of the numerous new light-houses embraced in the last light-house bill is of any real importance. The members of the late Congress will sustain me in the statement that the appropriations for the present year were enlarged to a most unusual and extravagant amount, for the purpose of exhausting the surplus which it was supposed might accumulate in the Treasury during the present year; and I appeal to the House, whether there is not now an ample pretext, in the reduced state of the finances of the country, to repeal at least so much as appears evidently excessive and extravagant.

I feel very sensibly, Mr. Chairman, the advantages which the gentlemen connected with the Administration may have in the argument upon this point. I neither know, nor have I the means of knowing, so long as the Secretary of the Treasury shall delay his report upon the subject, what portion of the appropriations I have alluded to for the present year have already been expended; and what portion besides may be required to fulfil contracts or engagements, which are binding upon the Government. I submitted a resolution at an early day of the session, with a view to get information from the Treasury on this point. I am aware that it may be in the power of the chairman of the Committee of Ways and Means to rise in his place, and declare that the whole or the greater part of the sums I propose to retrench are already bound by contract; but I can remind the gentleman that if he shall do so, he will find some obstacles in his path likewise. He informed us the other day, that the unexpected appropriations in the month of March last, of the present year, were twenty-eight or nine millions. We all must remember well that in the month of April following, the pressure in the money market had already increased to such an extent as to shake, in some degree, the general credit of the country; some of the largest failures had already taken place in New Orleans, and one at least in New York. What followed in May, June, and July, I forbear to rehearse. We know, however, that in these months there was a general wreck of commerce and bank credit. Can it be possible that the Secretary of the Treasury, and the other departments of the Government, under the existing state of the country, and of its financial condition and prospects, did feel it to be their duty to hasten the expenditure of the extravagant appropriations for the year—to expedite and precipitate contracts and engagements; that three thousand superintendents of public works, engineers, and other agents engaged in the expenditure of the public moneys, were instructed to make immediate engagements to the extent of the moneys appropriated?

At such a crisis can it be possible that any of the heads of the Executive Departments could have been so regardless of the true interest and condition of the country as to have encouraged, or even permitted, any new contracts or engagements, after it became at least doubtful whether the banks which held so large a portion of the public funds might not prove wholly insolvent, or, at all events, be so crippled in their means as to afford no certain prospect of being able to pay their debts to the Government? Yet, sir, unless this reckless and indefensible course has been pursued by the Government, there are no considerable engagements existing for the expenditure of the appropriations of the present year, except for indispensable objects connected with the support of Government and the maintenance of the army and navy. But we shall see how this is, I hope, in due time. We know one thing, that a wise and provident administration, under the circumstances of the country, and after the true complexion of the crisis was developed last spring, would have permitted no engagement for the expenditure of money, except for indispensable objects. But, whatever may be the amount or nature of existing engagements, I trust the sum of five millions and a half may, and I believe will, still be found free from any such impediment, and that we may retrench at least that amount of the appropriations for the present year.

I have now presented such a statement, founded upon the report of the Secretary of the Treasury, as I think will be seen to be in strict accordance with the facts therein stated. I have also exhibited a statement of the condition of the Treasury, based upon my own estimates, both of the probable receipts and expenditures for the two last quarters of the year, which varies materially from the views of the Secretary of the Treasury. The explanations I have given of the different conclusions to which I have arrived, I hope will be regarded as at least deserving the attention of the House. But before I proceed to notice, a little more in detail, what I consider the most material questions connected with this bill, and to which I have more than once alluded already, it is proper that I should notice the statement presented by the chairman of the Committee of Ways and Means, and I will remark, in the outset, that, however widely his statement may at first view appear to differ from the one presented by me upon the basis of the Secretary's report, there will, upon examination, be found to be but little substantial difference, so far as regards the actual means in the Treasury.

According to the statement of that gentleman [Mr. CAMBRELENG] there will be in the Treasury on the 1st October next the following means, viz:

Specie, - - -	$1,500,000	
Balance undrawn in the deposite banks, - - -	5,000,000	
Instalment due from U. S. Bank,	1,500,000	
Aggregate, according to estimate of the chairman of the Committee of Ways and Means, - - - - -		$8,000,000
Add the amount admitted to be in the deposite banks, which has been drawn upon, but which is not paid, and does not constitute a specific fund for the payment of the drafts, - - - - -		4,500,000
And it will appear that the actual amount of means in the Treasury on the 1st of October will be - - - -		12,500,000
Deduct the amount of the first instalment due from the U. S. Bank, which it is supposed will be paid in protested Treasury drafts, and may therefore be unavailable,		1,500,000
And the aggregate of available means in the Treasury on the 1st October will appear to be - - - - - -		11,000,000
The receipts into the Treasury, estimated for the last quarter of the year by the chairman of the Committee of Ways and Means, will be - - -		4,000,000
Making an aggregate of means in the Treasury to meet the demands upon it during		

the last quarter of the current year, amounting to - - - - 15,000,000

Add the means in the hands of disbursing officers, and which may be applied to the public service during the last quarter of the year, - - - - 5,000,000

And the aggregate of means already at the disposal of the Government during the same period, will be - - - 20,000,000

The expenditures of the last quarter of the year, exclusive of the amount obtained from the mint, the amount required to take up protested drafts and contingent fund, according to the statement of the Committee of Ways and Means, are as follows, viz:

For the ordinary service of the last quarter of the current year, (1837,) $9,000,000

For the support of the Florida war, 1,600,000

Aggregate, - $10,600,000

Add amount of fourth instalment due the States under act of 23d June, 1836, - 9,367,214

Real aggregate, - - 19,967,214

Showing a surplus of means at the disposal of the Government during the last quarter of the current year, amounting to - 32,786

Some explanation may be necessary to be given of the alterations I have made in the estimate submitted by the chairman of the Committee of Ways and Means, in relation to the amount on deposite in the deposite banks, and which has been drawn upon by drafts from the Treasury. The honorable gentleman from New York thinks that this money, amounting to about four millions and a half, should no longer be accounted a part of the means in the Treasury. I affirm that they are as much means as they were before they were drawn upon. If they had been paid out to the drafts which were drawn upon them, his view would certainly be correct; but, because drafts had been drawn upon these funds, which have been protested and are now in circulation, it by no means follows that these moneys cease to be a part of the means of the Treasury. They may be paid out to other drafts, or arranged so as to pay that amount to other creditors of the Government, while the drafts originally drawn upon them are gradually absorbed in payment of duties and for public lands, or taken up at the Treasury.

I have omitted to notice, in the version I have given of the statement of the chairman of the Committee of Ways and Means, the fact that he sets down the whole amount in the banks, except what appears to be regarded in the light of special deposites, in specie as unavailable funds; and he contends that the available fund actually on hand on the 1st of October will be only 2,000,000! With what propriety or consistency can the gentleman insist upon such a statement as being correct? When did all the moneys in the deposite banks cease to be available? Since the 15th of August, it appears that the amount deposited in the banks has been diminished some three or four millions. Does not the gentleman know that in many, if not in every quarter of the country, these funds in the banks are made available? They are this day as available as they have been within the last three or four months. The notes of the deposite banks have actually been received by a class of the public creditors at par, in some sections of the Union, and the drafts of the Government upon these banks have been notoriously sought after. How, then, can the gentleman state such fund as unavailable? It is only unavailable to answer the purpose of argument here, and to lead Congress into the measures proposed by the Government. If the States shall be tendered drafts upon the balances remaining in the hands of the deposite banks in payment of the fourth instalment due the States under the act of 1836, and they shall refuse to receive them, then, with some color of propriety, these funds may be stated to be unavailble; but not till they shall be brought to some such test can they be regarded as unavailable.

I have now, sir, shown that, taking the statements of the several reports of the Secretary of the Treasury as correct, if the funds lying dead in the hands of disbursing officers be brought forth and applied in aid of the expenditures of the last quarter of the year, as they should be, the fourth instalment due the States can be paid, with all other actual demands against the Treasury during the year, and not scarcely more than a nominal deficit; but if, as has always been the case heretofore, a portion of the actual demands upon the Treasury shall not be presented for payment at the depositories of the public money within the year, there will be a surplus, in fact, still left in the Treasury at the end of the year.

I have also, as I believe shown that, regarding the estimate of the chairman of the Committee of Ways and Means as correct, if we are permitted to employ the amount in the hands of disbursing officers, the Treasury will still be able to meet all demands upon it, including the fourth instalment due the States, and leave a small surplus in the Treasury. But these several results are not only denied, but it is contended by those who have the direction of the public Treasury that even the passage of this bill, and thereby relieving of the Treasury from a charge amounting to $9,367,214, will not supply a sufficient fund for the expenditures of the remainder of the present year. A bill is brought into the House, and there appears to be a great probability that it will pass, authorizing the issue of 12,000,000 of Treasury notes! And how will the fund of the Treasury stand then, according to the showing of the officer at the head of the Treasury himself?

The deficiency in the means of the Treasury, after paying all demands upon it during the current year, (1837,) including the fourth instalment due the States, is stated in the report of the Secretary at the sum only of $5,876,565

If the bill now under consideration shall pass, it will relieve the Treasury of a charge during the year amounting to $9,367,214, which will leave, instead of a deficit, an actual surplus in the Treasury amounting to 3,490,649

If the bill authorizing the issue of Treasury notes to the amount of 12,000,000 shall pass, it will swell the surplus means in the Treasury to the sum of - - - 15,490,649

If to this we further add the means in the hands of disbursing officers, the aggregate surplus in the Treasury will then be - 20,490,649

The measures proposed by the Government, if sanctioned by this House, will lead to this result. Instead of an embarrassed Treasury, we shall find the Government again in the possession of a surplus of twenty millions in the Treasury! Where, then, the necessity of withholding from the States the sum which was provided and set apart by past laws for the States? Is it desirable to keep up a surplus in the Treasury? Is it desirable that the Administration shall be encouraged by the possession of ample means still to go forward in their ruinous experiments? If we look, as we have a right—as it is proper we should look—to the source from whence this measure comes, we shall find ample reason to distrust the intention of those who support it, or the soundness of the arguments by which they attempt to prove the necessity of it. The proposition to postpone, or rather to repeal, the deposite act of 1836, comes from a source which was originally and eminently hostile to that law; which has never ceased to make war upon it, and all those of the opposition who favored its

passage, ever since. One great aim of their policy, from that time to the present, has been to thwart its operation, and to make it odious with the people. The notorious and fatal specie circular was conceived in a spirit of hostility to the deposite act of 1836; and I am firmly persuaded that most of the evil which has since befallen the country may be traced to the manner in which the Secretary of the Treasury executed the provisions of the law. In his zeal to make it be felt rather as a curse than a blessing, he contributed to bring upon the country the curse of a depreciated currency. We ought to remember that it is the same party which now brings forward this proposition, which, before the deposite act became a law, preferred to vest the surplus moneys in the Treasury in State stocks, in railroads to carry the mail, in fortifications that never would be necessary for the defence of the country, in useful public works, and in works of no use, rather than see it distributed among the States. Ought we to place much confidence in the arguments or representations coming from a quarter so partial, and unyielding in opposition to the original act which is now sought to be repealed?

Some of the gentlemen who supported the act of 1836, when it was known that there was a large surplus in the Treasury, as a choice of evils between the extravagant expenditures which they foresaw would be the certain consequences of its remaining in the Treasury, and the distribution among the States, seem to be under the impression that they are under some obligation of principle, now that it seems to be doubtful whether there are moneys enough in the Treasury to meet all the demands upon it, to vote in favor of the repeal of it. I warn those gentlemen not to be too easily persuaded that they take the right view of the subject. A little reflection will satisfy them that principle is now altogether against the present bill. Those gentlemen are not now the same free agents in regard to this subject that they were before the act of 1836 was passed. Another and quite as important a principle stands in the way of their support of this bill as that which determined them to support the act of 1836; and in one view of the subject the principle is the same, as I will presently show.

The question now is, whether the States have not acquired rights under the act of 1836, which it is not competent for Congress to annul or defeat without their consent. It is a question of power and of right in the General Government whether, after the States have accepted the terms of the deposite act; after many of them have anticipated the funds which they expected to receive in payment of the fourth instalment, and made other important arrangements connected with their financial interests and condition, they will not have just cause to complain of a breach of faith, if this Government shall now proceed to abrogate the compact by legislative action merely, and without any communication with the States. I call upon those gentlemen especially, who hold to what is called the State rights party, to say upon what grounds they can support the bill under consideration? Will it not be a usurpation, a clear assumption of power on our part, and an insulting disregard of the State sovereignties, if, after deluding them with promises of these funds upon certain conditions, which have been acceded to by the States, we should claim the power to postpone the execution of the compact, or to annul the whole proceeding unconditionally, without reference to their wishes or interests, and even without consulting them?

But, sir, we have the same grand object, inviting us to reject this bill, which operated with many gentlemen in giving their support to the deposite act of 1836. The question is now, as then, whether we shall set about curtailing the extravagance and profligacy of the Government in its expenditures. We have tried every other plan—every other occasion, in vain. If we would prove ourselves what we profess to be—if we be ourselves in earnest—if we are seriously the advocates of retrenchment and reform, we can never hope, in our time a more propitious season to make one more bold and determined effort. "Now's the day, and now's the hour." If we suffer ourselves to be deluded by the arguments and the devices of the advocates of power, and shall let this opportunity pass, we need never hope again. There is only one expedient left, and that is, to withhold the supplies; stop the money; keep the Treasury drained and low; cut off the means; and I engage that the expenditures, for once, shall be reduced to the actual wants of the Government. I call upon the experienced of the House—the observation of them, and there are some who have had seats here for more than twenty years—to say, if any time could be so fit, or promise equal success, in effecting this great object, as the present. I repeat, if the means are not supplied, the expenditures must cease. But how are we to account for the course of the Executive?

The Secretary has taunted us with our extravagance; he has told us to our teeth, in his report, that the appropriations of the present year exceeded the amount he recommended by five or six millions; but how is it that we hear not one word from that high officer upon the subject of retrenching those appropriations, and thereby relieving the Treasury to that amount? How does it happen that we have no estimate laid before us of that nature? So far from it, that we cannot even draw from him, by order, in the shape of a resolution of this House, any statement upon this subject. Are we not bound to conclude, from the course of the administration upon this subject, that the determination still to sustain the late extravagance and profligacy, as a means at once of patronage and power, is inflexible? But what becomes of the professions of the President upon this point? In his late message he repeatedly adverts to the virtues of economy in the expenditures of the Government—the necessity of reducing the revenues to the actual wants of the Government; yet we do not hear of the first step taken by his supporters in the House to carry out his views upon this subject; but, instead of retrenchment, the cry is still for more money. Are we destined forever to be imposed upon and deluded by hollow professions—by promises of reform and retrenchment, which are ever to be repeated, and as often broken? Are we to have under this administration, as under the late one, the constant avowal of the sternest republican principles, but in practice the grossest infraction of every maxim of a free Government?

Is it in this respect that the President intends to imitate and walk in the footsteps of his distinguished predecessor? Has he not already insulted us, by telling us that the late trouble and ruinous revulsion in trade, and the prostration of every interest connected with it, were the result, in a great degree, of much extravagance? Have we not seen the Chief Magistrate of this Republic condescending to rebuke and insult the inhabitants of the large cities for their extravagance, and the luxurious indulgence which the Government has set the example in all the modes of extravagance known in the practice of any Government, and is itself, at this moment, the greatest prodigal in the land? Witness the prodigal waste of money upon every branch of the public service, upon the public works in every quarter of the Union, and especially in this city, and under the eye of the President himself. I say shall this be endured, that such charge shall come from the same source which requires us to repeal the deposite law, because it is said there are no means in the Treasury? which asks us also to give them the power to issue a Government paper to pay the charges upon the Treasury, and yet never hints at any plan of retrenchment and reform? I repeat, shall we never be exempt from the mockery of a constant profession of the principles of economy and reform, and the uni-

form disregard of both in the actual administration of the Government?

Mr. Chairman, the only consolation I have felt in the survey of the wide-spread mishaps which have grown out of the late mal-administration of public affairs, particularly in relation to the currency and finances of the country—the individual depression and suffering—the public loss of character: the only solace I could take to myself in being called at this unfriendly season of the year to this seat of national legislation was, that perchance a favorable opportunity had presented itself—a most propitious conjuncture in our affairs had arisen, for one further effort to bring back the Government to that real "republican track" which was promised us with so much seeming sincerity in 1829, and which the country at this time, and all the best and dearest interests connected with it, so imperiously demands. Our expenditures have more than doubled since that period. I am not so impracticable as to ask that we should be brought back to the standard of the expenditures of the administration of the distinguished and venerable gentleman who sits over the way, [Mr. Adams.] The average annual expenditures during his administration, exclusive of the public debt, was $13,500,000. I admit a necessity for some enlargement beyond that standard. Our country has grown in population and resources greatly since that period, and I would be content if we could retrace our steps only so far as to adopt the standard of 1833 and 1834. Then, sir, our expenditures did not exceed 17 or $18,000,000 annually. But what hope is there that even this moderate reform can be accomplished, when we seem determined to grant the Government all the money they ask, and not to retrench one cent of the expenditures of the present year, though they are expected to be upwards of $33,000,000!

Mr. Chairman, in conclusion I shall say, that I look upon the decision of this House upon the present bill with deep interest and powerful anxiety—not so much by reason of the interest or the profit the States have at stake in the question, but because I shall regard the vote of this House as decisive of the course of the Government, and of the course of purity and economy in its administration. If this manner of compelling the Government to curtail its extravagance by refusing the means of its indulgence, and by acting upon the maxim that an impoverished Treasury is better than one overflowing with means, be not resorted to, I shall despair of success in any less favorable conjuncture.

Mr. PICKENS said he had not risen to make a speech; he was not prepared for that; but merely to touch upon the general grounds that would govern him in the course he would pursue in relation to the bill under consideration. He would here take the liberty of saying that we had a commentator upon the report of the Secretary of the Treasury in the chairman from the Committee of Ways and Means, and now we had another explanation of it by the gentleman from Maryland, [Mr. McKim;] and, notwithstanding all this, it was still as bungling and confused a document as he had ever been called upon to analyze. One of these gentlemen had made the sum that would be in the Treasury on the 1st October, something under $2,000,000, and the other had made it $2,000,000. Mr. P. would recommend to the gentleman from Tennessee [Mr. Bell] that, while engaged in the subject of reform, he should propose a reasonable appropriation, under the direction of some fit and suitable person, so that, during the recess between this and the regular session, the Secretary might be taught both arithmetic and grammar. This might be sound economy; for it might save the time and trouble of this House in the discussion of points which we now witness for want of clearness and distinctness. With all the conflicts upon these points, Mr. P. was strongly impressed with a conviction that the Treasury would be embarrassed, whether from mismanagement and extravagance, or the pressure of the times, or from all, he would not now say. He (Mr. P.) had no idea of now distributing $9,367,214 amongst the States, only that the tax-paying people of this country should be called on to pay back again that amount to supply the demands of the Government. He was not for incurring a debt merely to distribute money amongst those who would receive two-thirds of the amount, and not pay one-third in raising it. He would not go before his constituents and tell them that he had involved them in a debt merely that other and more powerful sections might lay the taxes by which it was to be redeemed. Besides, Mr. P. contended that we must look at all the different measures proposed under the present embarrassed state of our affairs as one system, and not separately. He felt disposed to relieve, as far as this Government could legally do, that enterprising and meritorious class of citizens engaged in the foreign importations of the country. They deserved our sympathy, our aid, and fostering care. We had a bill before us proposing indulgence and extension of credits on their bonds. The Senate had passed one extending the time for nine months, and also for the same credits on all bonds for a year after the 1st of October next. Mr. P. was in favor of the very longest time possible, and, with that view, he wished the Treasury relieved from the immediate demands that would be had against it by the payment of this fourth instalment. If it were disembarrassed from this demand for the present, it would enable us, without difficulty, to extend the custom-house bonds. Let not those who desire relief to importing merchants embarrass the Treasury by too many demands upon it.

Mr. P. also expressed himself in favor of a small amount of Treasury notes, only under very restricted limitations, their only qualities being their receivability in public dues. The gentleman from Tennessee [Mr. Bell] had enumerated a number of appropriations which were extravagant and useless, and which ought to be dispensed with. Mr. P. agreed with him entirely on that point, and would here say, that, if the gentleman would bring in a bill, enumerating the useless and extravagant objects, and calling for a reduction and withholding of those appropriations, he would go with him heart and hand, and would move that the present bill be laid aside until the gentleman would have a fair opportunity to pass his retrenchment bill. He never had voted for these objects, and never would. But the gentleman well knew that no such bill would ever receive the sanction of this committee. A majority here were for extravagant appropriations, and would at any time expend money for any thing that the wit of man might propose, even if they incurred a debt, and then distribute the $9,367,200 besides, and wring the last cent from the productive industry of this country, for no other object than to divide the proceeds amongst their constituents. Many came here good opposition reform men, and continued to be so in words, for the first of the session, but in the last ten days, when it comes to voting appropriations, the gentleman would find them true to their interests, and voting millions upon millions, with reform upon their lips and extravagance in their hearts.

[Here Mr. Bell inquired if Mr. P. meant to include him. Mr. P. said, not at all; he meant the national republican party, from the middle and northern sections of this confederacy.]

Mr. P. was afraid the majority here would not only take the $9,367,200, but pass the extravagant appropriations again and again, and incur a debt too of $20,000,000 without the slightest regret; and to effect their purposes, when objects of expenditure were exhausted, they would do as they had done before, propose to tack on to a bill containing large appropriations, a bill locating "marine hospitals" on the rivers and creeks of the far West, even beyond the settled country, where it would be difficult to fill them with

inmates, unless they were to collect the bears and wolves of the forest for that purpose. This is what the majority have done and will do here. The Secretary of the Treasury last year estimated the wants of the year at $27,000,000, which was about $10,000,000 more than he ought to have asked, and yet what was the remarkable spectacle that this House exhibited? We not only voted the $27,000,000, but $33,000,000; about $6,000,000 more than even an extravagant administration asked for. This is your economy and reform. Mr. P. desired to hold back the fourth instalment, so as to induce gentlemen to retrench in expenditures, under the hopes that they will get the fourth instalment divided hereafter, if they will reduce the demands upon the Treasury.

The gentleman from Tennessee, [Mr. BELL,] Mr. P. continued, has maintained that the deposite act was a contract binding upon this Government; and, by consequence, that we were bound to make the distribution whether we wanted it or not. Mr. P. said he could not thus view that act. He looked upon it as a deposite act, and not a distribution act, creating the States of this Union, for the time and for a particular purpose, branches of the Treasury of the General Government. This was the legitimate and only constitutional object of that act. We have no right, under the specific objects for which we can appropriate money under the constitution, to give it to the States. Mr. P. then read the clause in the act regulating the deposites and the conditions as follows:

Sec. 13. *And be it further enacted*, That the money which shall be in the Treasury of the United States on the first day of January, eighteen hundred and thirty-seven, reserving the sum of five millions of dollars, shall be deposited with the several States, in proportion to their respective representation in the Senate and House of Representatives of the United States, as shall by law authorize their Treasurers or other competent authorities to receive the same on the terms hereinafter specified. And the Secretary of the Treasury shall deliver the same to such Treasurer, or other competent authorities, on receiving certificates of deposite therefor, signed by such competent authorities, in such form as may be prescribed by the Secretary aforesaid, which certificate shall express the usual and legal obligations, and pledge the faith of the State for the safe-keeping and repayment thereof, and shall pledge the faith of the States receiving the same to pay the said moneys, and every part thereof, from time to time, whenever the same shall be required by the Secretary of the Treasury, for the purpose of defraying any wants of the public Treasury beyond the amount of the five millions aforesaid: *Provided*, That if any State declines to receive its proportion of the surplus aforesaid, on the terms before named, the same shall be deposited with the other States agreeing to accept the same on deposite, in the proportion aforesaid: *And provided, further*, That when said money, or any part thereof, shall be wanted by the said Secretary to meet appropriations by law, the same shall be called for in ratable proportions within one year, as nearly and conveniently as may be, from the different States with which the same is deposited, and shall not be called for in sums exceeding ten thousand dollars, from any one State, in any one month, without previous notice of thirty days for every additional sum of twenty thousand dollars which may at any time be required.

He then argued at length to show that it did not partake of the nature of a contract, but a mere regulation of the surplus that might be in the Treasury, so intended, and bearing that intent upon its face. The title of the act was: "A bill to regulate the deposites of the public money."

He was at a loss to conceive how this could be called a contract, which was intended as a direction to the Secretary of the Treasury. There was no specific sum named to be delivered, and, if a contract, from its face, no specific sum could be recovered. The gentleman had said that it was a contract stipulating the sum for the use and benefit of the States. There was no stipulation of the kind even named in the act. The words *use and benefit* did not occur. It was a branch of the Treasury which the States might control and dispose of at their own risk and responsibility. The only security required was their faith. The limitations in the act were limitations upon the Secretary of the Treasury, not to draw back any sums, except in a certain way, and under certain restrictions, but there was no limitation imposed by that act over Congress. Congress might call immediately for the whole amount by any appropriations they might make, but the Secretary could not; it limited him, but not Congress. Suppose we had been visited with foreign invasion, do you suppose that we could not then withhold the fourth instalment, because we were bound by contract to pay it over? As well might it be said that the law regulating the Treasurer, and giving him funds under certain conditions, was a contract, and we were bound to give him the funds, whether in the Treasury or not. We had something of a contract with the United States Bank, created in 1816, by which we were bound to deposite the surplus with that institution, under certain conditions. Those deposites were seized and removed in defiance of a plain contract, and yet the gentleman, with his friends, I believe, sustained that withdrawal of the funds. And we are now to be told that we must pay over the fourth instalment, under a contract, even though there be no surplus funds. How absurd must our position be, to say that we must now, under contract, make this deposite, when by that contract, if contract it be, it can be immediately recalled for appropriations, and which even the Secretary of the Treasury is authorized to recall in different sums if needed for any appropriations made by law. This seems to be any thing but financial wisdom. If this had been a contract he (Mr. P.) never would have voted for it. He was not for an entire postponement, but for disembarrassing the Treasury at present, and enforcing future economy, so as to make the deposite or division hereafter. It was not the time for the South to run the risk of incurring a debt merely to distribute a few thousand dollars, while others would get millions. If it be a contract, show the bond, and he would comply, although it might take not only the "pound of flesh," but blood too.

Mr. McKAY, of North Carolina, contended, in reply to Mr. BELL, that there had been no change in the ordinary expenditures of the Government during the last year, but it was the extraordinary expenditures of the year which made the great difference. He agreed that in these there had been much extravagance, and he had voted against them all. Of many of these appropriations he would remark not one dollar had yet been expended. He then entered into some estimates, and read voluminous data, furnished him, he said, by the Secretary of the Treasury himself, in his own handwriting, to show the truth of his assertion as to the expenditures of the year. Among the extraordinary appropriations for the year, he named the amount of $5,000,000 to carry into effect the Cherokee treaty.

Mr. BELL remarked that that did not enter into this estimate, as it was an appropriation of 1836, and just about so much as this error in his calculations made would reduce his (Mr. McKAY's) estimate to his own, (Mr. BELL's.) There had been no extraordinary expenses or subjects of expenditure in 1837.

Mr. McKAY reasserted that his minutes were from the Secretary's own hand.

Mr. CAMBRELENG rose, and said that there were other items of a similar character omitted by the gentleman from North Carolina, which would make up the sum he had named.

Mr. McKAY then remarked that the gentleman would have an opportunity at the next session of Congress to bring forward his plans of reform, as the Secretary had already postponed the expenditure of $15,000,000 appropriated by the last Congress till after the first of January next. He then took similar ground to that maintained by Mr. Pickens, as to the creation of a debt, as the necessary consequence of permitting the deposite act of 1836 to go into further operation.

Mr. ROBERTSON, of Virginia, said he had but a word or two to say on the subject. In any view he could take of it, he was impressed with the belief that no legislation was necessary or proper. The administration seemed to have actually fallen into a panic—he hoped a groundless one; but in any event, this bill could afford no relief. If, as the gentleman from Tennessee [Mr. Bell] had contended, there were ample funds to meet all necesary charges, including the fourth instalment due the States, that instalment ought to be paid. If, on the contrary, the Treasury was bankrupt, as the statements of the chairman of the Committee of Ways and Means would seem to prove, no act of Congress was required to forbid the payment.

But, unimportant as the measure was in his judgment, he would vote for it if the chairman could show him it could be adopted without directly violating the faith of the Government. He entirely dissented from the opinion expressed by his friend from South Carolina [Mr. Pickens] that we had entered into no obligatory contract. It was true there was no contract which could be enforced by law. But that might be said of every engagement into which the United States might enter; and indeed of many of the highest obligations imposed upon us as members of society; they were equally beyond the reach of law, yet on that very account, the more scrupulously regarded by all honorable men. The offer made by the General Government and accepted by the States, amounted substantially to a compact binding in honor on both parties. The only question was, what was its true meaning? It was a mistake to say that the deposite act disposed of whatever surplus might be on hand on the respective quarter days appointed for making the transfer. It declared, in unequivocal terms, that the amount which should be in the Treasury on the first day of January, 1837, after deducting $5,000,000, should be deposited with the States, provided they should agree to take it on the terms proposed. The sum thus to be ascertained was to be transferred in four equal instalments; and the transfer itself was to be postponed, not with the intention or expectation of reducing the sum, but solely for the relief of the banks in which the public money was kept. The General Government, he admitted, had reserved the right to recall the whole or any part which the public necessities might require. But it was to be called for in ratable proportions; and, where more than a given sum should be wanted, upon definite notice. He inclined to think we had no right to demand any part, until we should first have deposited the whole amount; certainly no right to withhold or exact it in larger sums or at shorter periods than the act prescribed. So soon as the whole should be deposited, the Secretary might proceed to bring back into the Treasury in the manner provided by law whatever sum might be wanted; and to the extent at least of the fourth instalment, the States would be in a condition promptly to replace it.

But there were no funds wherewith to make the deposite. He did not consider the condition of the Treasury quite so desperate as it had been represented. He should go into no estimates at that late hour; the luminous statements presented by the gentleman from Tennessee [Mr. Bell] and others, rendered it unnecessary. Supposing these, however, to be erroneous, and that the accruing revenue, with the large sums now due for duties and from the Bank of the United States, should prove insufficient, still, under the prevailing system, the Treasury was possessed of abundant means, not only to pay all its debts, but to supply a currency for the whole Union. Its resources seemed absolutely inexhaustible; and, strange to say, sir, (said Mr. R.,) these inexhaustible resources consisted in its unavailable funds. If he understood the course of the Treasury, it was this: Drafts were drawn on banks having no available funds of the Government; these drafts were protested or dishonored of course; and then, being receivable at the Treasury, readily sold at an advance of six or seven per cent. The unavailable funds still remaining unpaid, these drafts, it was evident, might be repeated, and would continue to sell or circulate at or above par, so long as immense sums should be due or accruing to the Government on account of duties, sales of public lands, or otherwise. The States, no doubt, would willingly take them. He did not desire to be understood as inviting the Secretary of the Treasury to continue a practice which appeared to him manifestly illegal; but if that practice could be justified, there was no excuse, on the ground of deficient means, for withholding the fourth instalment, or any other just demand existing against the Government.

On motion of Mr. TITUS, of New York, the committee rose, reported progress, and had leave to sit again.

And then the House adjourned.

Wednesday, September 20.

BANKRUPT LAWS.

Mr. BIDDLE inquired of the chairman of the Committee of the Judiciary, or any other gentleman on that committee who could give him the information, whether it was the intention of that committee to report on the subject of bankruptcy, which had been referred to them in the message of the President of the United States. As it was a subject of very deep interest to the whole community, he would further ask whether it was the intention of that committee to report any bill which might come in conflict with the constitutional opinions of the President, as expressed in the Senate of the United States some years since. It will be recollected that the present President expressed it as his opinion, in his place in the Senate, on a former occasion, that a bankrupt law, extending to others than merchants and bankers, would be an unconstitutional act; and he wished to know whether it was the intention of the committee to introduce a proposition of this kind.

Mr. THOMAS (chairman of the Judiciary Committee) said he felt that the response which he should make to the gentleman would be unsatisfactory. The Committee on the Judiciary had held two meetings on the subjects which had been generally referred to them. At the first meeting, it appeared to meet the approbation of all the members of the committee that the final decision as to the propriety of reporting a bankrupt law should be postponed until it was distinctly ascertained whether the measures which were expected to come from the Committee of Ways and Means would so long occupy the attention of Congress as to extend the present session to the meeting of the regular session of Congress. In this state of the case, power was given to the chairman of the Judiciary Committeee to reassemble the committee as soon as the proper information could be obtained. A few days since, when he (Mr. Thomas) was absent, a gentleman from Virginia propounded an inquiry to the committee somewhat similar to the one now propounded; and in consequence of this a member thereof reassembled the committee, for the purpose of considering whether they should report now, or wait until the regular session of Congress. This meeting was held without coming to any conclusion, and an adjourned meeting of the committee was to be held to-morrow morning. The gentleman would therefore perceive that he could not pretend to say what would be the course of the committee on this

subject. The House had referred to them the message of the President and the report of the Secretary of the Treasury on this subject, and he was not prepared to say what would be the decision of the committee; whether they would be disposed to pass a general bankrupt law to affect that class of citizens alluded by the gentleman from Pennsylvania, [Mr. BIDDLE,] or not. On to-morrow morning, however, the subject would be taken up, and he presumed he would be instructed by the committee to make a report to the House in some shape or other.

THE FLORIDA WAR.

The House then proceeded to the unfinished business of the morning hour, which was the consideration of the following resolution, submitted yesterday by Mr. WISE:

Resolved, That a select committee be appointed by ballot to inquire into the causes of the Florida war, and into the causes of the extraordinary delays and failures, and the enormous expenditures which have attended the prosecution of that war, and into the manner of its conduct, and the facts of its history generally; that the said committee have power to send for persons and papers; and that it have power to sit in the recess; and that it make report to the next session of Congress.

Mr. HOLSEY addressed the House at some length in reply to the remarks of the gentleman from Massachusetts [Mr. CUSHING] and the gentleman from Virginia [Mr. WISE.] The gentleman from Virginia, he contended, was mistaken in the statement he had made in relation to the treatment of General Jesup towards the Chief Opothleyohola. The form of the treaty with that chief, as he was authentically informed, was very different from the statement given of it by the gentleman from Virginia on yesterday. The treaty was not that he was to have a fee simple to any land, or to have the privilege of remaining on the land, but that he was to receive a compensation in money for such services as he should perform; and he understood further, that this chief was fully rewarded by the commanding officer of the army in Florida for all the services he performed. This he understood to be the true state of the case. The gentleman from Massachusetts, [Mr. CUSHING,] had said that the war in Florida had been disgraceful to our arms, and disgraceful to the American army. Would the gentleman say that those who were engaged on Dade's battle ground or on the Withlacoochie were disgraced? As well might he say that the heroes of Thermopylæ were disgraced. The war in Florida he contended, was carried on under peculiarly unfavorable circumstances. The sands of Egypt and the snows of Russia conquered the armies of Napoleon, and the climate of Florida, equally unfavorable to military operations, conquered the forces of the United States. The Indians, too, secured themselves in their hiding places and fastnesses, and the flashes of their fire-arms could only be seen when those who held them were secure from harm. Oceola, who was admitted on all hands to be a brave and skilful warrior, well knew the peculiar position and advantages of the country for the prosecution of Indian warfare, when he made the assertion that the war could be sustained for five years. During the summer season, it is impossible to keep an army in the Indian country in Florida; and when our troops withdraw the Indians plant their corn, and by this means raise a supply of provisions for the next year. This chief well knew the advantages of the country in his favor, and hence his boast, which had almost become a prophecy. They had natural barriers thrown around them, which prevented the war from being brought to a speedy termination; and it was useless for any gentleman to assert that our arms were brought into disgrace by the war in Florida. The gentleman from Massachusetts [Mr. CUSHING] had expressed a great deal of sympathetic feeling for the Indians, in consequence of the violation of the faith of treaties on the part of the United States towards the Indians; but he took it that the gentleman had looked on the wrong side of the picture. It was the Indians of Florida who had violated their treaty stipulations. The very arms were put in their hands by the United States, on the faith of a solemn treaty, which were turned against us. Then why this sympathy towards these savages? He feared not this investigation; for he ventured to say that, whenever it should be had, no department of the Government would be found in fault in not sooner having suppressed these Indian hostilities. The gentleman from Massachusetts had called the attention of the House to the subject of the introduction of savages into our army to carry on this war, and pronounced it a disgraceful proceeding. This, however, Mr. H. contended, was the course of policy pursued by all Governments and by all armies. In Europe, allies were enlisted into all their armies; and in this country, the Indians had been introduced into the armies as allies both of England and the United States. This mode of warfare was adopted by all nations and by all armies, and had been sanctioned by all Governments. From the moment that the white men in this country commenced the war against the savages, to the present day, Indian allies had been introduced into the army; therefore he took it that the gentleman had overshot the mark in denouncing this measure. It was perhaps natural enough that those who were far removed from scenes of Indian warfare and cruelty might have a great sympathy for the sufferings of those savages, but when they came to bear the same relation to them which the people of the frontier bore, they would have different feelings. He wished, most sincerely, to prevent the unnecessary slaughter of this unfortunate race of people; but the means must be used to prevent their depredations which is best calculated to effect that object.

Mr. CUSHING rose to propose an amendment, which he hoped the gentleman from Virginia would accept; but while up, he would take occasion to reply to some of the remarks of the gentleman from Georgia, [Mr. HOLSEY.] Mr. C. said his position was a peculiar one. He was condemned at home in no unmeasured terms, because he refused in this House and at home to take the part of the Indian tribes against the United States; and here he was charged with entertaining a sympathy for these Seminole Indians adverse to the interest of the United States. He had no sympathy for the Indians as Indians, but he desired to see the unchangeable principles of justice and right observed. He contended that these Indians stood in the relation of wards or pupils to the United States, and that the Florida war was a black and damning blot upon the Government of the United States. He would say nothing of the army as an army, of the officers as officers, or of the soldiers as soldiers. He, with the gentleman from Georgia, sympathized for the brave men who perished in the pestilential swamps of Florida. It was not those who had served in the army, nor those who were commanders in that army, who had been disgraced, but it was the nation; it was the people of the United States; it was the Government of the United States which had been disgraced; and he repeated, that it had been disgraced. We have marched men by the thousands, and the tens of thousands, against a handful of Indians; and are they subdued? Have they attained the object for which we sent them there? We well know that the Indians have remained triumphant on the soil in spite of our soldiery. Our army has been thrown against this rock, this handful of Seminoles, as the ocean against the shore, and been beaten back again and again; and he here in his place repeated, that it was a disgrace to our arms. He agreed, however, with the gentleman from Georgia, that the situation of those Indians was peculiar, and that the campaign might have been more reputable to American arms if they could have found their enemy, and met him face so face. He contended that the

gentleman from Georgia had not shown that it was proper to enlist the Indians as our allies, by reference to the allies enlisted by the armies of Europe. There was no analogy between the two cases, in his opinion; because, in the case of the European nations, their allies were independent; the foreign allies were all independent nations; but our Indians were mere wards or pupils, under the guardianship of the United States, and therefore they should not be enlisted to carry on a war against their brethren. He had no sympathy with these Indians, other than that which he had before alluded to. He knew what must be the feelings of those who resided on the Indian frontier, as his own countrymen in former years had been accustomed to the nightly surprise of the Indians, and his own State was dotted with block-houses erected in the days of Indian warfare; but is it to be said that because the savages violate treaties, that the Government of the United States is to be faithless and violate treaties too? Are we to learn from the Indians whether treaties are to be observed? and if they are faithless, is it to be set up as a plea for us to break treaties? Was this a principle for an American legislator to adopt? He repudiated the doctrine, and hoped it one which would never be advanced here. He was ready to give every appropriation which might be necessary. He was willing to give the people of Florida all the relief which could be afforded them, and to go as far in the removal of the Indians as he could do with honor and justice, but he was not willing to go against all honorable warfare, merely because they were a savage, and we a civilized people. He would suggest respectfully to the gentleman from Virginia, whether it would not be judicious and wise to remove the only feature in the resolution which appeared to be a subject of debate. He referred to that part in relation to the appointment of the committee by ballot; and if the gentleman would not accept it as a modification, he would move to strike out that part of the resolution.

Mr. WISE hoped that the gentleman from Massachusetts would not make the motion which he had suggested, to strike out that part in relation to the election of the committee. He preferred the resolution going to the House in its present form, and he hoped the gentleman would permit the question to be taken in this shape. He would merely remark that, by the rules of the House, it was not considered disrespectful to the Speaker to move to have a committee elected, as this mode of election was provided for by the rules. The seventh rule of the House provided that "all committees shall be appointed by the Speaker, unless otherwise specially directed by the House, in which case they shall be elected by ballot." It was therefore contemplated by your rules that, without disrespect to the Speaker, the House could take this power of appointment into its own hands. He hoped this mode of appointment would be adopted for another reason, and that was, that he did not wish himself to be on this committee; and, from the universal custom of the House, if the appointment were made by the Speaker, he would have to be the chairman of the committee. He knew the difficulty and labor attending an investigation of this kind, and therefore he did not wish to be placed upon this committee. But, to be bold and candid, his main reason for wishing this mode of appointment was the fact that, let the disposition of the Speaker of the House be ever so fair and upright, ever so just to truth and the public interests, it was expected and required of him, in these times, to give us a packed committee; and God knows he (Mr. W.) had had bitter, bitter experience on these stocked committees of investigation. Sir, Mr. W., said let me tell you a fact that this country is not informed of, which will serve as a specimen of what one of these stocked committees will do. During the last winter a committee was appointed to investigate the Executive Departments. A report was made by the majority of that committee, and will it be believed in Gath, that not one particle of that report was written by a member of that majority of the committee? Some of the majority are here who were on that committee, and let any member of that majority here rise in his place and say who wrote it. I tell you that it was written by a scavenger—an antimasonic editor from Boston, who was brought here and placed on that committee as a clerk by a member from Rhode Island, who, thank God, is now out of this House, and ought to be out of the country. This individual feigned sickness, and remained at home, while he was under pay of eight dollars a day, and whilst the facts upon which he reported were transpiring in his absence, for the purpose of writing this report, and was furnished with notes by two members of the committee, Dutee J. Pearce and Abijah Mann; and when this report was brought into the committee and read, so audacious were the falsehoods that it contained, that the majority were compelled to expunge a considerable portion of it, and adopted what remained as their own. Dutee J. Pearce had stated to his friend, Colonel CAMPBELL, the gentleman from Massachusetts, [Governor LINCOLN,] and himself, by way of apology for himself, that the report was written by the individual before referred to, and that Abijah Mann, of New York, furnished the offensive notes. This report, however, was set up as a standard of truth, and as an offset to the report of the minority; and the best of it was, that Hallett (the clerk) had the insolence to complain that the majority had spoiled the report he had drawn up for them, by striking out the only passages which gave it point.

At this period of the discussion, on motion of Mr. CAMBRELENG, the House proceeded to the orders of the day.

FOURTH INSTALMENT BILL.

On motion of Mr. CAMBRELENG, the House then went into Committee of the Whole on the state of the Union, Mr. HAYNES in the chair, and resumed the consideration of the bill to postpone the fourth instalment of deposite with the States.

Mr. CAMBRELENG said he would detain the committee only to make a short reply to the gentleman from Tennessee, [Mr. BELL.] The gentleman had referred to the project of establishing a Treasury bank of deposite and issue. On that question he would not now detain the committee further than to say that the Treasury bank was already established, not only of deposite, but of circulation. We have always had one to some extent, and have generally had two millions of warrants in circulation. He had also referred to the expenditures of Government—they had increased two or three fold; but that increase had been made almost exclusively for extraordinary purposes. We appropriated, in 1836, thirty eight millions; of which, as may be seen by a report of the Committee of Ways and Means, seventeen millions and a half were appropriated to ordinary purposes, and twenty millions and a half to extraordinary objects. Of the latter, thirteen millions and a half were required for Indian treaties and Indian wars in the neighborhood of the gentleman from Tennessee. The appropriations for the present year amounted to thirty-two millions, of which fourteen were for extraordinary purposes. He concurred with the gentleman as to the necessity of reducing the public expenditures. It is obvious they will, as they have done uniformly, increase with an increasing revenue, and be suddenly curtailed when the revenue falls short. Such would be the case now, and our expenditures must be reduced to seventeen or eighteen millions.

The gentleman from Tennessee appeared to complain that the Executive had not, when the crisis came upon the country, in May last, directed the different departments to stop the expenditures. This was singular doctrine, after all we had heard for some years past on the subject of Executive usurpation, to expect the Executive to direct the execution of the laws to be suspended, while there were

means in the Treasury. But, sir, the views of the President and of the departments were, from necessity, similar to those stated by the gentleman. It was evident that the revenue would fail, and that some of the expenditures could not be met—a minute inquiry was instituted in every branch of public expenditure, to ascertain what could be conveniently postponed till next year. It was ascertained that some fifteen or sixteen millions might be suspended till the next year, to wait the future action of Congress.

It would, however, be wholly impracticable to curtail the expenditures in the last quarter of the present year. The very branches of expenditure referred to by the gentleman from Tennessee are not now within our reach. One half of the amount is already expended, and most of the remainder is under contract. Whatever we may do in curtailing the expenditures for the next year, any attempt to interfere with the expenditures of the last quarter would be wholly unavailable; and, if attempted, must be attended with much loss and embarrassment to the Government.

But the principal purpose for which he had risen was to notice the financial statements of the gentleman from Tennessee. He had stated that we might have a surplus of twenty-three millions and a half. He hoped the gentleman would pardon him for saying that his resources for creating this surplus were as unsubstantial as the unexpended appropriations which the gentleman from Georgia [Mr. DAWSON] proposed to convert into money. What are they? The first item is five millions, being the amount of money in the hands of the disbursing officers. Why, sir, one half of this amount is already expended, and the remainder is employed in paying the expenses of your army and navy—of the Florida war. Indeed, some are for our naval expenditures in the Mediterranean, the Pacific, and in almost every quarter of the globe. The warrants are issued only as the money is actually required for the public service; and, except in some extraordinary case, as the Florida war, the money is paid over almost as soon as it is received.

The next item to create this surplus is five millions five hundred thousand dollars to be curtailed from the expenditures of the present year. That is wholly impracticable, without stopping the pay of our army and navy, our expenses in the Florida war, and our public works of every character.

The third source of revenue is four millions and a half of drafts, drawn on the banks, and paid out for claims upon Government, but not paid by the banks according to the last returns. Why, sir, to make this a source of revenue, we must draw twice for the same amount. Two millions of this will probaby be returned to the Treasury, and not paid by the banks; but the only effect is to diminish the receipts of the Treasury, and to increase the amount due from the suspended banks.

The gentleman also relies upon an increase of the receipts over the estimate submitted of three millions. We have now before us a bill postponing the payment of the custom-house bonds for nine months, which I presume will pass, after all we have heard about granting relief. This will throw into the next year two millions of revenue, which was estimated for the present year, making a difference of five millions in the estimate of the gentleman.

The last resource embraced in the estimate of the gentleman from Tennessee is the balance due from the State banks. Why, sir, we have now in this committee a bill extending indulgence to the banks for four, six, and nine months. If we pass that bill, as we probably shall, we shall place it out of the power of the Treasury to draw for any portion of these balances for any purpose, and these will probably amount to seven millions, when the two millions of drafts are returned to the Treasury.

Thus, sir, we have on one side of the account resources relied upon to make the surplus means, estimated by the gentleman twenty-seven millions, and deducting his estimated surplus of twenty-three and a half millions, we have an actual deficiency, according to the gentleman's own statement, of three millions and a half.

Gentlemen might take what view they pleased of the state of our finances, but it is impossible to make any estimate which will not exhibit a deficiency in our means to meet the current expenses of Government. This deposite cannot be made unless we create a public debt for the sole purpose of placing a surplus in the Treasury, to be transferred and deposited in the Treasuries of the several States. Such a measure, he felt persuaded, would never be sanctioned by Congress.

Mr. BELL made a few remarks in rejoinder to Mr. CAMBRELENG, and insisted that the statement of the gentleman, did not controvert Mr. B's of yesterday, that there was a dead fund of five millions of dollars on hand; and that, assuming that fact, which he said was incontrovertible, according to the gentleman's own estimate, there would be a deficit of only one million some odd hundred thousand, but, according to Mr. B's estimate, an excess of rising three millions.

Mr. UNDERWOOD next addressed the committee. Mr. Chairman, (said he,) I have listened to the debate with surprise. It seems that the Secretary of the Treasury is unable to make a plain statement, unfolding the present condition of the national finances, or that we are incapable of understanding it. In either case, there is cause for regret. It is a national calamity that a man should be placed at the head of the Treasury, whose confused and involved statements leave doubts in regard to the correctness of his reports. On the other hand, if the fault is ours, if the Secretary has been clear, discriminating, and definite, and we cannot comprehend the facts, it is a serious misfortune that the people are so poorly represented.

I will not enter into a critical examination of the Secretary's language, nor stop to censure and abuse him for statements admitted to be erroneous. It is my purpose to collect from the documentary mass, and present to the committee, those facts which cannot be denied. My object shall be to exhibit the actual condition of the Treasury, to ascertain its liabilities, and then its means of discharging them. In so doing, I must necessarily take as true the statements of the Secretary, where they are not inconsistent with each other.

The Secretary's report, dated the 14th instant, (Doc. 17,) states that the balances of appropriations, on the 31st December, 1836, amounted to -	$16,752,283 09
That the appropriations made for the present year, exclusive of the Post Office Department, (the expenses of which establishment are defrayed by its own revenue,) amounted to -	28,575,837 10
And that the specific and indefinite appropriations, made by former acts of Congress, amounted to - -	2,824,250 40
Thus the charges against the Government, founded upon former acts of appropriation, are no more than -	$48,152,370 59
There can be no mistake in this estimate of our liabilities. We are now to see how they have been and can be met and discharged.	
In the first place, the Secretary tells us that he had actually paid, prior and up to the 11th of September, -	24,077,031 22
Deduct the payments, and there will remain a balance of - - -	$24,075,339 37

In the next place, the Secretary tells us that, in May last, he determined that of existing appropriations there "could and would be postponed until next year about" - - -	15,000,000 00
Deduct the amount which the Secretary determined to postpone, and you leave the charge against the Treasury for the remaining part of the present year only - - - -	$9,075,339 37

The true question is, can we meet and pay this balance without depriving the States of the fourth instalment of the surplus revenue, to which they are entitled under the deposite act of June, 1836?

The fourth instalment required to be paid on the first of October, amounts to - - - - -	$9,367,214 98
If to this be added the above balance for the remaining part of the year -	9,075,339 37
The aggregate will be - - -	$18,442,554 35

Now, if it can be shown that our resources will enable us to meet the demand thus stated in the aggregate, without contracting a national debt or borrowing money, surely not a member on this floor will raise his voice to deprive the States of the money, which, in 1836, we solemnly set apart for their use. I will prove, sir, that our means are ample, and that it only requires an honest and faithful application of them, under suitable acts of legislation, to relieve the Treasury from all embarrassment, and to preserve inviolate our engagements with the States.

The Secretary says, that "by a report of the Treasurer of the 30th ultimo, it appears that the balance in the Treasury, including what was in the custody of banks, the mint, and collecting officers, was then $14,596,311." He moreover states, that of this sum "only $8,928,072 was subject to immediate draft," thus leaving $5,668,239 not subject to "draft," or not applicable to the immediate demands upon the Treasury. Why it is that so large a sum could not then be used, is not explained; nor are we told when, if ever, it will be subject to "draft." We are informed by the Secretary's report, dated the 14th instant, that the payments, up to the 11th of the month, amounted to $24,075,339 37; but we are not informed how much, if any, the money in the Treasury, on the 30th August, was diminished to make the payments up to the 11th of September. If the receipts during these 11 days equalled the expenditure, the amount in the Treasury remained the same at the latter date. But concede that the receipts fell short half a million, there would still remain in the Treasury, including money in banks, in the mint, and in the hands of collecting officers, on the 11th of September the sum of - - - - - $14,096,311

Add to this the Secretary's lowest estimate of receipts for the balance of the year -	4,500,000
And we have a total of - - -	$18,596,311
But to this must be added the first instalment due from the Bank of the United States, amounting, with interest, to -	2,175,314
Constituting an aggregate of means amounting to - - - - -	$20,771,625

Thus, sir, we have, and will have before the end of the year, more than twenty millions of dollars, with which to pay eighteen. In the foregoing view of the subject, after satisfying all the demands of the year, we shall have a balance to facilitate the operations of the mint, and to meet contingencies, amounting to $2,329,071—a sum amply sufficient for these purposes, although it has been usual to provide a larger. If from this we deduct $741,561, the reported amount of the navy pension fund, it will still leave a surplus of $1,587,510, after discharging all claims upon the Treasury during the year.

It may be contended that I have erred in considering the $5,668,239, "not subject to draft," as a part of the available means of the Treasury during the year. If it be an error, it has sprung from the indefinite character of the Secretary's report. Had he given the reasons why it was not now available, and shown when it would be, my calculation might have been different. But, in the absence of all such reasons, and knowing as I do the settled hostility of the late and existing administrations to the act of 1836, requiring the deposite with the States, and their manifest purpose to render it odious among the people, I take the want of a full explanation on the part of the Secretary as a tacit acknowledgment that he can draw upon all the money in the Treasury in the course of the year. But, sir, let us suppose that he cannot, and that this sum ought to be provided by Congress: shall it come out of the fourth instalment going to the States? Shall we take the whole of that instalment to make good this unavailable sum of $5,668,239? No, sir. How then shall it be supplied? Must we borrow the money, or issue Treasury notes for it? No, sir, I will tell you how to get it. We held $7,000,000 of stock in the late Bank of the United States. The institution of that name chartered by Pennsylvania agreed to pay us $115 48 for each share of that stock, in four equal annal instalments, with interest, making the principal amount to $7,946,356 16 upon a final settlement, for which we hold four bonds After deducting the first instalment, or bond, there will remain $5,959,767 12. Put this stock in market. Your Secretary has manifested great anxiety in his report to become a buyer and seller of stocks. Indeed, he gives it as his opinion that "it is impossible, with sources of revenue so fluctuating as ours, and so dependent on commercial prosperity, that any fiscal operations should be long continued with ease, vigor, and uniformity, without some such regulator as a power to issue and redeem Treasury notes, or to invest, and sell the investment of surpluses." Now, although I do not concur in one word of all this, I am willing to see the Secretary try his skill in selling our claims upon the bank, guarding against sacrifices, by fixing a minimum below which he should not sell. In this way the money can be raised as easily as by issuing Treasury notes, and without creating a dollar of debt upon the country. You can supply the deficiency of $5,668,239 (if in truth, there be such deficiency) by selling this stock; and, by so doing, you may provide two or three hundred thousand dollars more in aid of the mint, or to meet contingencies.

It must be clear to every mind unprejudiced by the influences of party, that nothing more is required to meet the demands on the Treasury for the residue of the year than the passage of a law authorizing the Secretary to sell our claim upon the Pennsylvania Bank of the United States. It has been objected that the money standing to the credit of the Treasurer in the deposite banks will be unavailing in making the transfer to the States, so long as these banks refuse to pay specie. The objection is futile. Kentucky will receive a draft on her banks in discharge of her portion of the fourth instalment. All the States will do the like with their banks respectively. Those States in whose banks there is no money, or not sufficient to pay them, may make arrangements with the banks out of their limits, to receive interest until they can obtain payment. If the money was paid them, they would invest it so as to get legal interest, and be content. By allowing the banks to retain it, and pay by instalments, with interest, the banks and their debtors would be relieved, and the States receive

all they could in reason require, regarding the general embarrassments of the times.

Instead of adopting a course so obvious, what is the administration attempting? Only look at the proceedings of the Committee of Ways and Means, the thermometer which indicates the precise state of Executive temperature, and you have the answer. That committee has reported a bill authorizing the issue of Treasury notes to the amount of - - - - $12,000,000 00

The bill now before us takes from the States a fourth part of the money actually on hand on the first day of this year, and which in June, 1836, was set apart for the use of the States, amounting to - - - 9,367,214 98

$21,367,214 98

We are thus seriously asked to increase the means of the Treasury more than twenty-one millions; and for what purpose? If you refuse to pay the States, the entire charge on the Treasury for the balance of the year is $9,075,339 37 only; and to meet it you have all the money now on hand, and all that will be collected before the end of the year, amounting, as has been already shown, to more than twenty millions of dollars.

I may be told that the object of the administration is to provide in season for the $15,000,000 of appropriations which the Secretary has postponed until another year. If that ground is assumed, I should like to know whether these $15,000,000 could not be postponed, without detriment to the public service, until 1839—ay, and forever thereafter! We have no report from the Departments on the subject, and my friend from Tennessee [Mr. BELL] has satisfactorily shown that there can be a great reduction in our expenditures—that we can save the half or the third of the $15,000,000, if no more. But suppose the whole must be met in the course of the ensuing year, it can be done by a rigid economy, aided by the collections of revenue bonds, upon which we are about to grant indulgence, and the accruing revenues of the ensuing year. Yet if it could not be, I would prefer meeting the deficiency by issuing Treasury notes, to withholding the fourth instalment from the States. You have no right to withhold it. You have contracted that they should have it, and you will violate faith if you do not let them have it.

Mr. Chairman, when the States acceded to the terms prescribed in the deposite act of 1836, a clear contract was formed between them and the General Government—just such a contract as would entitle an individual to damages in similar circumstances, if the contract was not performed. Suppose you had a surplus quantity of work-horses, and you were to propose to me keep them for you, that I might have the use of them as long as I retained them; that I should insure their lives, and return them in good order when called for; and that you would deliver to me a certain number at four several times, a week or a month apart; provided, however, that you should not reclaim more than one horse in any one month, without thirty days' previous notice. Suppose I assent to all this, and go on and erect stables, purchase provender, and employ hands to take care of the horses, and to work them so as to remunerate me for all my trouble and expense. Suppose you deliver me the first three portions at the times stipulated; but a few days before the last are to be delivered, you say to me that I shall not have them—that you find you have use for them yourself. May I not answer, "I want them likewise; I have made my arrangements, looking to the fulfilment of your promises. I have agreed that my neighbors' children shall go to school over the mud upon the backs of a part of the horses, and I need the rest to help me about improvements in progress on my farm. I have been at expense and trouble in preparing to take care of them. I have assumed risk by insuring their lives; and now, sir, if you dont comply on your part, I will sue you for damages." There never was a plainer case of contract between individuals than the one supposed; and yet, sir, it is precisely the case between this Government and the States. So far as legal and moral principles are concerned, there is no distinction between the cases. There is but one difference; individuals could appeal to the judiciary for redress; this Government is amenable to no such tribunal. But, sir, the perpetrator of wrong, who violates principle because he knows that he can do it with impunity, more deserves the scorn of mankind than if the dungeon or the gibbet were the penalty. I beg the members of this House not to flatter themselves that they are irresponsible for voting to violate the faith and contract of the nation. There is a political tribunal before which they must account. They may hear the verdict of an incensed people proclaimed in a voice of thunder "Depart from our service, ye workers of iniquity." You had better not be the first to violate the contract, lest the States imitate your example, to punish you.

The member from Ohio [Mr. HAMER] supposed that no one would claim the money for the States upon the ground that it belonged to them as matter of right. I, for one, claim it in behalf of the States on that ground. I do not mean that they have a legal title, but they have a claim in equity, (which, were it a case between individuals, could and would be enforced by the Chancellor,) to all the money arising from the sales of public lands ceded to the General Government by the States. I will not go into the argument in support of this claim now. The subject was fully considered during the last Congress. I place the proceeds of the sales of lands not ceded by the States upon the same footing as if they had been ceded. I voted for the deposite act of 1836, regarding it as a distribution of the money arising from the sales of the public domain, and I now regard it a duty to release all pretences of claim upon the States for its repayment. My policy will be to divide among the States the proceeds of the sales of the public land, and then support this Government by a discriminating tariff, having in view the protection of domestic industry, and limiting the revenue to the economical wants of the Government. I look upon a national system of internal improvement, except in its most partial and objectionable form, as abandoned. I shall give it up without regret, provided you will furnish the States with the means which they are justly entitled to, and thereby enable them to carry on their public works. Indeed, sir, so far as the destruction of the system diminishes Executive patronage, I rejoice in its downfall.

I have shown the ability of the Treasury to pay the States and meet all other liabilities, since the Secretary has postponed $15,000,000; but I am not willing to stop the discussion here. We have been convened by the President at an extraordinary period, and one of admitted public and private embarrassment. We are the physicians called on to prescribe for the diseases of the times, and to consider the remedies the President has proposed. We must trace the disease to its source, and understand its original causes. The President attributes our present condition "chiefly to overaction in all the departments of business; an overaction deriving, perhaps, its first impulses from antecedent causes, but stimulated to its destructive consequences by excessive issues of bank paper, and by other facilities for the acquisition and enlargement of credit." The President's statement is far from being complete. In the discharge of his constitutional duty, he should have explained the "antecedent causes" which gave the "first impulses." If you, Mr. Chairman, were to arrive at a place covered with the bodies of dead and dying men, mingled with dirks and pistols, rifles and muskets, your first

anxious inquiry would be into the causes of the destruction before you. You would hardly be content if some one should gravely tell you that it was to be attributed chiefly to overaction in all the departments of buck-shot and leaden bullets, stimulated by excessive explosions of gunpowder, and to a few stabbing facilities, very destructive to human life. Such a statement, however true, would be altogether unsatisfactory. You would desire to know the subject of quarrel—how it began, and who were the aggressors, in every stage of the controversy, down to the final and bloody issue. Without such knowledge, you could never arrest the guilty and bring them to punishment.

That "excessive issues of bank paper," and other "facilities of acquiring and enlarging credit," were the immecause which produced "overaction in all the departments of business," cannot, I think, be doubted by any one. But what caused the "excessive issues of bank paper?" Who created those "other facilities" which produced the mischief? I will answer. It was the illegal, unwarranted assumption of the "responsibility" by President Jackson, of controlling the Secretary of the Treasury in matters confided by law exclusively to the Secretary's discretion and judgment. It was the removal of the deposites, and the veto of the recharter of the Bank of the United States, whereby that institution was crippled, and ultimately destroyed. These are the "antecedent causes" (about which President Van Buren is silent) that produced overaction in trade and business. Do you ask me how they operated? I will answer. When President Jackson withdrew the public money from the Bank of the United States, and deposited it with the State banks, and when he placed his veto upon the recharter of the Bank of the United States, it was manifest to the Legislatures of the several States that the Bank of the United States could not survive the powerful opposition of the Executive. It was further manifest that the Executive designed trying an "experiment" to give the nation a "better currency," through the instrumentality of State banks, than that furnished by the Bank of the United States. It was apprehended that the withdrawal of the capital and notes of the United States Bank from business and circulation would produce a mischievous vacuum, unless filled by substituting State banks. It was seen that the Executive control of the public money, assumed by President Jackson, would enable him to increase the profits of those banks which he might be disposed to favor. These, and other reasons of a party character, put the ball in motion, which created State bank after State bank in its progress, until, from 320 in 1830, the number has more than doubled. The President contrasts the situation of the country at two different periods, for the purpose of showing the great increase of banking capital, bank notes, and loans and discounts. He says: "At the commencement of the year 1834, the banking capital of the United States, including that of the national bank then existing, amounted to about two hundred millions of dollars; the bank notes then in circulation to about ninety-five millions; and the loans and discounts of the banks to three hundred and twenty-four millions. Between that time and the 1st of January, 1836, being the latest period to which accurate accounts have been received, our banking capital was increased to more than two hundred and fifty-one millions; our paper circulation to more than one hundred and forty millions; and the loans and discounts to more than four hundred and fifty-seven millions."

Here is evidence of the rapid increase of banks and bank paper. The banks invited the people to borrow, and the people borrowed greedily. Each endeavored to use the money lent so as to make a profit, and enable him to repay the bank. Those productive pursuits which create property were abandoned by thousands, who thought they could do better and get rich faster as traders and speculators. Money was plenty, competition among purchasers contentious, and prices rose. The people, encouraged by high prices, fearlessly contracted debts, expecting to pay without difficulty. Merchants sold rapidly, and imported largely. Seeming prosperity drew us into extravagance, and, when most involved, we were called on for payment.

The report of our commercial operations for the last fiscal year shows a balance of trade against us of sixty-one millions of dollars. The paper of our local banks had no credit abroad, and would not be received in payment. Specie was demanded; the banks were called on, and, foreseeing the inevitable result, they suspended specie payments, leaving us with a depreciated paper currency from one end of the republic to the other. I have stated, in a few words, the race we have run. The fact that we are assembled here, proves its miserable termination. Its "first impulses," its remote "antecedent causes," are to be found in Executive experiments upon the currency; in the illegal and arbitrary measures by which the deposites were removed, and in the existence and exercise of the veto power, which, as now established by the constitution, makes your President practically a monarch. As the constitution now stands, it requires two-thirds of each House to pass a bill in opposition to the Executive veto. If a majority only had been necessary, the bill rechartering the Bank of the United States would have been passed, notwithstanding the opposition of President Jackson. No one now doubts the salutary influence that the recharter of that bank would have exercised in preventing the enormous increase of State banks, and the "excessive issues of bank paper." But the veto power triumphed over the interests of the country; and it will, sir, in all time to come, place the President above the representatives of the people, and make him the master over all, unless the constitution can be amended in the manner proposed by me during the last Congress.

[Here the Chair interposed, and told Mr. U. he was taking too wide a range; that constitutional questions could have no bearing on the bill before the committee. Many voice scried, "go on, go on," and Mr. U. proceeded.]

I deem it essential, sir, to trace the stream to its source. I have done so; and the great efficient remedy for existing evils, and for those which may visit this nation in consequence of the arbitrary acts of the Executive, in all time to come, is an amendment of the constitution, by which the President shall be controlled by a majority of the representatives of the people. But for the veto power, I should entertain strong hopes that the present Congress would restore the currency and the public prosperity. As it is, I have no hope, during the existence of the present administration.

Permit me, in a few words, to call the attention of my Eastern brethren to the condition of the interior Western States. We, who live in the valley of the Ohio, do not supply ourselves with merchandise at the places where we sell our agricultural productions. Our horses, mules, hogs, tabacco, hemp, &c., are taken to a market hundreds of miles to the south and southwest of us. Our dry goods are purchased in Baltimore, Philadelphia, and New York, hundred of miles to the east and northeast of us. Now, sir, it is indispensable to our prosperity as a people, that we should be paid for our produce sold at the South and Southwest, in that kind of currency which will enable us to pay for the goods we consume, without sustaining a loss upon it. We once had that currency, in the notes of the Bank of the United States. But how is it now? One of our traders sells a drove of horses or mules in Mississippi or Louisiana; he must receive their State bank paper, or he cannot sell; and, when he gets it, has to undergo almost as much trouble to exchange it for something that will pass at home, and pay the farmers for their mules and horses, as he had in selling the property. And when our farmers receive State bank notes—especially notes on distant State banks—and come to settle with their merchants,

the farmers must submit to a discount or loss, because these notes are not at par at the places where the goods were first purchased. Thus a system of shaving and brokerage is introduced, alike vexatious and injurious to the people. The regular operations of business and exchange are deranged, and distrust and confusion are the orders of the day. Formerly we could, for a half or one per cent., obtain checks and make remittances to almost every part of the country. Now you can scarcely find any facilities of the kind; and when you do, you must pay three or four times as much to avail yourself of them. Our line of trade extends from the Gulf of Mexico, through the heart of the country, to the Atlantic; and nothing can or ought to satisfy us but a sound currency, equally good at the centre and both extremes of our commercial operations. No administration of the General Government can be popular with us for any length of time, which does not furnish such a currency for the people. You may delude and deceive the nation for a while, through the instrumentality of a pensioned and a corrupt press: editors and office-holders, under the influence of Executive patronage, judging of others by the rules applicable to themselves, may continue to pour out their vials of wrath and slander upon the purest and best men of the country; they may impute unworthy motives, and charge bribery upon them, for sustaining the former Bank of the United States; but, sir, unless I am greatly mistaken, the good sense of the nation will ultimately get over the prejudices and alarms excited by such base means, and then, and not before, will the voice of reason and patriotism be listened to in favor of establishing a national bank. When that time arrives, existing evils can and will be cured by a national bank, with proper guards in its charter to prevent mischief. I do not disguise my opinion that such a bank is the only practicable remedy; but it is useless for me to propose it now. It would be a waste of time to discuss the propriety of establishing such an institution; or to point out the alterations I should propose in the late charter of the United States Bank, when I know that the President has the power and disposition to defeat any measure in regard to a national bank which Congress might adopt.

In looking back upon the tricks and artifices of scurvy politicians, by which the people have been deceived, and induced to overturn some of the best and longest-tried measures of their Government, I have deeply lamented the infatuation which prevailed. But when I behold a manifest disposition in the public mind to review past transactions with calmness, to scrutinize the present, and to guard the future, I assure myself that there is a redeeming quality in our people, and the character of our institutions, which will carry us triumphantly to the bright destiny which awaits us. The genuine spirit of reform is abroad in the land. Not the spirit of reform which put down the administration of the venerable gentleman from Massachusetts to my right, [Mr. ADAMS;] no, sir, that was a spirit which induced its possessors to promise much, and do nothing. I recollect now some of the enormous extravagances which it was said the gentleman over the way tolerated, and which tended to national destruction? He paid for blacking the boots and shoes of Indians visiting the capital! He allowed his Secretary of State to write despatches with gold pens! And he himself walked upon a "brass carpet," and permitted members of Congress to be tempted by the offer of penknives! One member went so far, sir, I am informed, as actually to carry home a certificate, showing that he rejected the bribe! No, sir, it is not that microscopic spirit, only capable of looking at and magnifying the skeleton of a mite, which is now sweeping over the land; but it is a spirit capacious enough to contemplate things of magnitude; intelligent enough to discriminate between promises and practices; and bold enough to do its duty in regard to men and measures.

In contemplating the evils of a depreciated currency, I was anxious for the adoption of some effectual and immediate remedy, and desirous that the President would propose some scheme of relief in which I could concur. But he has proposed nothing for the relief of the people. On the contrary, he has told us that "all communities are apt to look to Government for too much," and referred to the "uncommon fruitfulness" of the country, and the "proceeds of our great staples," to liquidate debts at home and abroad, and to revive commerce and credit. This waiting upon the seasons and the crops is rather cold comfort to those who must perish before these remedies can operate, unless they can procure other aids. It is like telling the poor wretch who is shivering at the door, "you will get over it when warm weather comes," instead of helping him with a blanket. However much the message has failed to propose or recommend any thing in aid of the people, it has submitted a scheme in aid of the office-holders, and still further to enlarge Executive power, the deleterious consequences of which I shall briefly expose.

The plan is to establish sub-treasuries, and to make this a "hard-money Government." The jingling sounds of "hard money," when we are overwhelmed with shinplasters, may, and probably will, tickle the ears of many people, and some, as in former days, will be deluded into the belief that the "hard-money" age is just before them, and that nothing more is necessary to bring on this political millennium than to worship at the shrine of President Van Buren with increased devotion. There is no more hope of a political zealot than there is of a religious bigot. Each is without the pale of reason. I do not expect to influence partisans; but those who are not blind past all cure may be preserved from falling into this new pit.

The plan of the President and the Secretary of the Treasury is to establish sub-treasuries at such places as may be deemed proper, and to appoint suitable officers, at which, and by whom, the public money shall be kept and disbursed; and to receive nothing in payment of public dues but specie. This plan is to bring about the hard-money age!

We now have about eight hundred State banks. They have flooded the country with notes, depreciated and depreciating. Many of these bank charters are to continue from twenty to thirty years. The States have power to create banks. There is nothing to restrict the exercise of this power. As new States are admitted into the Union, new State banks will come with them; and the new and old States may go on and create eight thousand, instead of eight hundred banks. Will the sub-Treasury scheme prevent the States from making more banks, or prevent the banks from issuing more paper? It can do neither, unless, as is contended, the refusal of the Government to receive any thing but specie for its revenue should operate as a check. That check cannot operate, if at all, until the banks resume specie payments; and then its mode of operation would be, by withdrawing the specie from the banks, and depositing it in the vaults of the sub-treasuries, and thus render the banks less able to sustain their issues. The President tells us that "It is a mistaken impression that any large amount of specie is required for public payments. Of the seventy or eighty millions now estimated to be in the country, ten millions would be abundantly sufficient for that purpose, provided an accumulation of a large amount of revenue, beyond the necessary wants of the Government, be hereafter prevented." Now, suppose the President is correct, and that a sum not exceeding ten millions is abstracted from the banks and the general circulation, and placed in the custody of sub-treasuries; what effect will the withdrawal of that amount in specie have upon the banks and the currency furnished by them? I perceive that the eighty-nine deposite banks, mentioned in

the Secretary's report of the 5th instant, had in their vaults, according to the latest information, specie to the amount of $10,873,722 67, and that the public deposites to the credit of the Treasurer of the United States and public officers amounted to $17,519,130 04. If these banks were paying specie, the first effect of the President's scheme would be to deprive them of every dollar of their specie, and place it in the custody of sub-treasuries. The next effect of this second removal of the deposites would be the inability of the banks to redeem their outstanding notes, and, of course, a depreciation in the value of the notes would follow; and the third effect, if the directors of those banks should desire a speedy redemption of their notes, would be, heavy calls and rigid collections from their debtors, ruinous sacrifices of property, and much individual suffering. These would be the inevitable consequences of carrying the President's plans into execution, if the banks were now paying specie. But they are not; and what will follow, in the existing state of things, should Congress adopt the President's recommendations? The first consequence will be to diminish the quantity of specie in circulation, by collecting together in the vaults of sub-treasuries whatever sums are paid for public lands and in discharge of revenue bonds. The next consequence will be, owing to its greater scarcity, that a higher premium must be paid by the people to get specie, or, what is the same thing, bank notes will be further depreciated. The effect of the whole scheme, if executed, will be to render the payment of debts for a time more difficult, to retard the resumption of specie payments by the banks, and to increase the sufferings of the debtor classes. The people have contracted large debts upon the basis of a paper circulating medium. The policy of the administration is to compel the payment of these enormous debts in specie, and at the same time hoard up the specie in sub-treasuries, and render it more difficult to procure. Ruin, inevitable ruin, to thousands of our citizens, must result from such a policy. Sir, the whole scheme is nothing more than an ill-devised remedy of President Van Buren to save the officers and Government, while the people are left to suffer the evils brought upon the country by President Jackson. The policy and arbitrary proceedings of the latter tempted the States and the people to enter upon an extravagant system of State banking. We swallowed the fruit offered by President Jackson, which we ought not to have tasted. It was a stimulating poison, and ran the nation mad by excitement. Mr. Van Buren would cool this effervescence all at once, by prescribing a gold and silver currency. Thus we are to jump from one extreme to the other. If a laborer is overheated in the harvest field, would you cool him off instantly, by thursting him into an ice-house, and covering his naked body with ice? If a traveller should lose himself, and follow new roads until he reaches the brink of a precipice, and there should discover the safe beaten track, which he ought to have kept, in the valley below, would you have him to plunge headlong down the steep to regain the track at the nighest point? If a nation has been groping in the dark, until the pupils of its eyes are dilated, so that twilight is more agreeable than day, will you risk producing perpetual blindness, by throwing a glare of dazzling light suddenly in its face? Sir, those sudden transitions are ruin and death. A few may have ability to bear them and survive them, but the mass are crippled or killed; and those who get through unhurt become the masters of the crippled herd, whose physical and moral energies are prostrated. Sir, your President's schemes will make the "rich richer, and the poor poorer." There are hundreds who will hail the arrival of the hard-money age, who have had sense enough to foresee the busting of the bubble, the explosion of the Jackson experiment, and who have been preparing for the fat harvest of speculation by hoarding up specie.

But, Mr. Chairman, let us suppose the President's sub-treasuries in complete operation, and that good seasons and good crops have enabled the people to settle old debts, and that tranquillity and prosperity are again prevailing throughout the land: I ask you if it be possible to keep up any thing like a uniform national currency with the paper of State banks? The voice of experience and reason both proclaim that it cannot be done. How are the people of Kentucky, for instance, to know the names, the number, the location, and character of the hundreds of banks chartered by the other States? How are they to know the officers, their signatures, the capital, and duration, or chartered life of a thousand banking corporations? How is it possible for them to have confidence in the solvency of institutions that they know nothing of, whose debtors and course of business they know not? And how can you make them give credit where there is no confidence? Why, sir, a life devoted to the study of banks and banking statistics can hardly keep up with the multitude of State banks now existing; and when our States extend to the Pacific, it will be utterly impossible. How, then, can the mechanics, manufacturers, and farmers of the country, know what paper is good, and what good for nothing? The people in one State have no voice or control in forming the banks in another State, nor can they, through their representatives, inspect the condition or control the operations of banks without their States. These causes will forever make the paper of State banks pass at a discount in distant States. Yet such is the risk and expense of transporting specie from place to place, and the impossibility of carrying it about our persons in large quantities, that the people find it more convenient even to use State bank paper, at a small discount, than to be packing specie. Hence it will be found, even in the best condition of the State bank system, that the specie will find its way to their vaults, and their paper take its place in circulation, although at a discount. Besides, the stockholders of the banks have an interest in collecting the specie in the vaults of their banks, so that they may enlarge their profits by issuing a greater quantity of paper. These causes combined, tend to the concentration of specie in the vaults of the banks, and the production of a paper circulation of unequal value for the people. There is no remedy for the evils these causes produce but a national bank, to furnish a general paper currency for trade and intercourse among all the States, leaving the State banks to furnish a local paper currency for their States. I think I could show beyond all question that a national and State banks are mutually beneficial to each other, but I will not do it now. My only object at present is to prove that State banks cannot supply a general paper currency, passing at par throughout the Union; and I trust I have accomplished it. If they cannot, we are to be afflicted indefinitely with a depreciated paper circulation, and shavers and exchange brokers will grow rich out of the losses of the people.

Viewing the subject as I do, it is clear that the scheme of the administration to make this a hard-money Government, and to give a gold and silver currency to the nation, is a new humbug, thrown out in the hope of amusing the people, and propping a declining popularity. Sir, if the administration be sincere in its projects to expel bank paper from circulation, and to give us a specie currency, and no other, it must set to work in a different manner. The President must induce the people to amend the constitution of the United States, and take from the States the power of creating banks, before his schemes of a metallic currency can be accomplished. As long as the States have the power to make banks, they will exercise it; and, as long as they do, there will be a necessity for a national regulator in the form of a national bank. I will not go into the argument to prove the constitutionality of a national bank as a necessary fiscal agent of Government, and as

an essential mean of regulating and conducting the commerce between the States; nor will I consume time by exposing the pretences that the people have decided conclusively that Congress had no constitutional power to create such a bank; nor will I stop to notice the ridiculous declamation, imputing to the stockholders of a national bank (composed, as they are, of a large number of old men, old women, and orphan children) designs unfriendly to public liberty. Such a discussion would be premature at this time.

One of my principal objections to the sub-Treasury is, the increase of Executive power and patronage which would necessarily result from it. The Secretary of the Treasury says, "The whole addition of principal officers need not exceed ten." He estimates the increased annual expense at fifty or sixty thousand dollars only. Ten principal officers! What salaries would you give to each? Not less, I suppose, than you give an Auditor—$3,000 a year; especially as they would be located in the large cities. What a scrambling among office-seekers this new batch of offices would produce! How many interviews and intrigues at the White House would grow out of it, I leave to those who are fond of such speculations. Thirty thousand dollars a year I set down as the least for ten "princpal officers," under this scheme! How many minor officers—clerks and agents—will be required, we are not informed; nor are we told what necessity there will be for additional buildings; nor are we told where they are to be located. I will venture to predict that, instead of $60,000 a year, this sub-Treasury scheme will cost the nation double or treble as much, should it ever go into operation; and just in proportion as the people lose money, to sustain the establishment, so will the President gain power to reward his partisans.

But, sir, I look upon this new scheme as an entering wedge merely; the beginning of a new system, which will ultimately place all the money of the nation under Executive control. The Secretary already hints that he could furnish an excellent general paper currency, in small bills, based upon an equal amount of specie deposited in his sub-treasuries. I admit it could be done, and that it might be convenient to the people. But the transition is so easy from a sub-Treasury bank of deposite to a sub-Treasury bank of discount, that I apprehend great danger, in the progress of events, that the President will deem it proper to call on Congress for power, through his Secretary, to lend money at least to the extent of the surplus revenue; and that Congress, in obedience to Executive recommendations, will sanction the project. The Secretary now says, in substance, in the 9th page of his late report, that "it is impossible to conduct our fiscal operations any length of time with ease, vigor, and uniformity, without some such regulator as a power to issue and redeem Treasury notes, or to invest and sell the investment of surpluses." I am apprehensive that power to lend the surplus would, in the Secretary's estimation, be found a better "regulator," and that the whole scheme of sub-treasuries will eventuate in a Government bank, where the money of the nation will be loaned out at the will and pleasure of the President. Should such a state of things ever arrive, and if there is no curtailment of Executive power, as claimed and exercised by the late President, I am ready to declare that American liberty exists no longer. The people will become the mere slaves of power, and nothing short of revolution will burst their chains.

The Secretary now proposes that Congress would authorize him to vest "any unexpended excess" "in safe State stocks, at their market rate, subject to be sold again whenever the proceeds shall be wanted to discharge existing appropriations." President Jackson was horror-struck at the idea that the National Government should become a partner in a State corporation! Well do I remember his veto relative to the appropriation for the Maysville and Lexington road. But now it seems that a power to become a partner or stockholder, through the instrumentality of the Secretary of the Treasury, in a State stock concern, is a most harmless and desirable matter! The Secretary modestly asks permission to do, at his discretion, that which the late President would not permit to be done by act of Congress!

I look upon this stock-jobbing project and the sub-Treasury scheme in the same light, and I believe they were both conceived in the spirit of that policy which grasps at power, and which has for its object the concentration of all power in Executive hands.

But, Mr. Chairman, I must hasten to a close. I must trespass upon the time of the committee, however, with a few additional remarks. Suppose the President's sub-Treasuries in full operation; suppose all the good should result from them which the President expects; then, I ask, will any of the blessings fall upon the heart of the nation? Will Kentucky feel its genial influences, in reviving its drooping commerce, and furnishing a sound currency? None of the public revenue, arising from taxation, is collected in the interior States at present, nor is there any prospect that such will be the case in any short time. Your sub-treasuries will therefore be confined mostly, if not exclusively, to the seaboard, where your public money will be hoarded, and where it is usually expended. The valley of the Ohio will derive no benefit from the plan, and will be compelled to struggle through its present difficulties unaided by the Government, which has been the author of its calamities.

I can perceive no benefit to result from the scheme to any class, unless it be the office-holders and office-seekers. Sub-treasuries may be instruments in the hands of the first, to enable them to retain power; and by the multiplication of offices and salaries, the chances of the latter to obtain profitable situations will be increased. By receiving nothing but specie for revenue, the Government will be enabled to pay her officers in a better currency than that which the people use; and the officers of the Government may, if they please, employ their salaries in shaving depreciated bank notes in the hands of the people. I am totally opposed, Mr. Chairman, to a good currency for the office-holders, and a bad currency for the people. My ideas of republican equality require that all of us should fare alike. I cannot consent to any establishment which will place the officers of Government upon a better footing than the people at large; nor can I ever sanction such invidious distinctions as that recently made by the Secretary of the Treasury between the creditors of the Government, preferring the members of Congress to the war-worn pensioner and day-laborer, and paying gold and silver to us, and irredeemable bank paper to them. Sir, I was astonished the other day at the defence made for the Secretary by the member from North Carolina, [Mr. McKAY.] He read the law to prove that all the creditors of the Government were entitled to specie; and then argued that, as all could not get it, some must of necessity take paper, or wait until the means of the Treasury would enable the Secretary to pay in specie. Why, sir, the law provides that our army shall be fed with wholesome food; but suppose, under peculiar circumstances, it cannot be procured for all: what would you think of a commanding general who gave orders to feed the sergeants and corporals on the best cured Kentucky hams, and issue out rations of tainted meat to the common soldiers? Sir, such conduct would produce a mutiny against that general. The rule of justice in such a case would be to divide ratably, and to give each his portion of the good and the bad. If the Secretary could not execute the law fully, because the means were not provided, no censure attaches to him for that. The ground of complaint is, that he acts partially; that he favors the strong—those who stand in least need of favor—at the ex-

pense of the weak, who cannot protect themselves. If he had paid us in depreciated paper, it would have acted as a stimulus, growing out of our own losses, to shape our legislation in such manner as to improve the currency for the benefit of all classes.

I have expressed my opinions; and now, sir, it only remains for me to vote against the bill under consideration.

When Mr. Underwood had concluded,

Mr. PICKENS said he would submit a proposition which he thought would meet the views of a large majority of both sides of the House, and that was to postpone the payment of the instalment to the "1st day of January, 1839," by which time it would be seen if the postponement should be made indefinite or not. Mr. P. then moved to strike out the words "till further provision by law," and insert "the 1st day of January, 1839."

Mr. DUNCAN said he was anxious for the passage of the bill. There was more than one consideration that operated on his mind and induced him to support it. The object of the deposite act was to relieve the Treasury of the surplus revenue—a surplus which, as he would attempt to show, grew out of a policy the most dangerous and disastrous in its character, and which, if it had been persisted in, would have, in all probability, severed this Union—he meant the unequal and inequitable policy misnamed "the American system," which had for its object the official elevation of its projectors and zealous supporters, and which, in its operation, was at the same time beneficial to one portion of the Union and destructive to another. The surplus was now disposed of, and the object for which the deposite law was made is accomplished, and it was of no further use. He hoped it would take its place among the things that had been and are not, and that the policy which gave rise to its necessity would share the same fate.

The question involved in the bill was simply whether the Government shall deposite $9,000,000 with the States, in proportion to their representation in Congress, when, to enable her to do it, she must borrow a sum equal in amount, to supply her own wants during the current year.

The first fact upon which the question depends is, does the Government want the money? And, if it does, is it not better that she should keep her own and use it, than to deposite it with the States and run in debt for an equal amount to supply her own wants? To convince the committee that the amount of the fourth instalment of the deposites would be wanted by the Government for her own use, he had prepared a statement, which was the result of a calculation from the facts stated in the report of the Secretary of the Treasury, and he believed it would be found correct, and conclusively show that Government would want the full amount of the fourth instalment. In submitting the statement, he would acknowledge his obligation to the worthy and distinguished gentleman from Maryland, [Mr. McKim,] for the assistance he had received from him in preparing the statement.

Whole amount of money in the Treasury, 1st January, 1837.

Whole amount of available money in the Treasury, 1st of January, 1837, applicable to public purposes -		$42,468,859 97
Deduct the sum reserved by law -		5,000,000 00
		37,468,859 97
Which amount of $37,468,859 97 was, under the provisions of the act of June 23, 1836, to be placed in deposite with the States, and it is ascertained that there has been deposited - -		27,063,430 80
		10,405,429 17
The amount of the third instalment, the deposite of which has not been acknowledged, is - - -		1,165,575 18
Amount of fourth instalment, not deposited		9,239,853 99
The amount reserved in the Treasury on the 1st January, 1837, has been increased from $5,000,000 to - -		6,670,137 52
The receipts in the first half year are as follows:		
From customs -	$7,234,451	
From lands - -	5,307,731	
Miscellaneous sources	512,263	
		13,050,445 00
To which add $600,000 in hand, and $50,000 in the hands of collectors, subject to draft - - -		650,000 00
If no further postponement be granted on duty bonds, it is estimated that the whole amount of receipts of the last half year will be about - - -		9,500,000 00
		29,870,562 52
Deduct postponement on bonds to the 15th November - - - -		2,500,000 00
Total amount of moneys estimated to be received in 1837 - - -		$27,370,562 52

Expenditures for the first six months of the year 1837.

Civil, miscellaneous, and foreign intercourse - - - -	$2,812,540 40
Military, including pensions - -	10,603,361 49
Naval - - - - -	3,297,149 69
Public debt - - - -	20,832 75
	16,733,884 33
Expenditures required to meet existing appropriations during the last half year, will, as computed, equal the sum of -	16,000,000 00
	32,733,884 33
Amount of receipts ascertained and computed for the year 1837 - -	27,370,562 00
	$5,363,322 33

This is an actual deficit, notwithstanding there ought to be a sum equal to this always in the Treasury, which really shows a deficit of above $10,000,000.

Whatever expenditures shall arise within the year upon new appropriations which Congress may think proper to make, will require a corresponding addition to this amount; but without them, it will constitute an excess of $5,363,322 33 of expenditures over both the receipts and the balance at the end of the year, besides not leaving at the close of the year any thing in the Treasury or mint for future uses, or to meet contingencies.

State of the Treasury up to the first of October.

By the Treasurer's report on the 30th of August past, it appears that the balance in the Treasury, including what was in the custody of banks, the mint, and collecting officers, was then - - - -	$14,596,311
The amount of this sum subject to immediate draft was only - - -	8,928,072
This is the amount of all drafts of all kinds outstanding, viz: - - -	5,668,239

Drafts on banks and mint for debts - -	$3,877,468	
Drafts on banks for transfers to States - -	1,165,575	
Drafts on receivers and collectors, 28th August -	625,000	
		5,668,043
Leaving subject to draft near September 1st, as above - - - -		8,928,072
Expenses in September, with receipts, about		2,500,000
Leaving, 1st October, in banks, mint, and receivers' and collectors' hands - -		6,428,072
Of the amount in banks, not over one or two millions are available, leaving, unavailable		4,000,000
		2,428,072
For the mint, which cannot be used immediately - - - - -		500,000
Amount of cash funds in the Treasury, 1st of October next - - - -		$1,928,072

If, said Mr. D., the report of the Secretary of the Treasury is a correct and true exposition of the state of the Treasury and the finances of the nation, then his statement proved, beyond all doubt, that the money proposed to be deposited as a fourth instalment was required for the use of the Government, and it disposed of the main question.

Before he went into the other questions involved in the passage of this bill, he felt himself bound to discharge an obligation he was under to redeem a friend from some unkind remarks indulged in by the gentleman from South Carolina, [Mr. PICKENS.] The gentleman had represented the honorable Secretary's report as obscure and unintelligible, as full of errors, in point of its arithmetical calculations and its grammar, and had thrown out the insinuation that Congress could not make a more fit appropriation, or one more useful, than for the purpose of his instruction in those branches of science. He regretted to hear the literary character of one of the principal Executive officers of the Government thus assailed, and attempted to be degraded. Such statements did not merely strike at the reputation of the distinguished individual against whom they were spoken, but they were calculated to reflect discredit upon the party in power, through whose instrumentality he held this high and responsible station; nor did they stop there—they embraced the Government, on whom its effects were more fatal, being calculated to bring it into contempt with the people, to destroy confidence in its reputation, and to strip its Executive officers of that respect which was due to the stations they occupied, and which was so essential to the discharge of their high and responsible trusts with credit to themselves and to the best interests of the public. He did not concede to public officers any privileges or immunities in this respect that did not belong to any other citizen, but he thought they were entitled to the same respect and courtesy. He always felt himself bound to protect and defend the reputation of a friend, when assailed in his absence, more especially when assailed on this floor unjustly, because official station here gave privileges that did not belong to any but members. Was it a fact that there were errors in the report of the Secretary? If there were, he had not discovered them. Was it a fact that there were grammatical errors in the report? He had seen no violation of any rules of grammar that he had ever learned. Perhaps, however, arithmetic and grammar in Ohio (Mr. D's residence) and New Hampshire (the residence of the Secretary were not the same things that they were in South Carolina. If so, the gentleman was not in fault. If otherwise, he had better brush the cobwebs out of his own garret, before he charged the honorable Secretary with a benighted brain. Mr. D. said he was of opinion that Congress could make a more profitable appropriation than the one suggested by the gentleman, viz: to give its members clear heads. Of such an appropriation he he (Mr. D.) would lay claim to a large proportion for his own use.

But, was it a fact that the Secretary who controlled the financial interests of this nation and people, was unacquainted with the two first rules of common arithmetic, addition and substraction? for the report from which the gentleman seemed to have formed his opinion, required the exercise of no other rules. He repeated the inquiry: is it possible that the Secretary of the Treasury who had been one of the first graduates of as good an institution as the nation affords, regularly bred to the profession of the law, who had practised with honor to himself, who had presided in the Supreme Court of his native State, on whose learning depended the property, liberties, and often the lives of her citizens; who had finally filled her Executive chair for years, and whose present elevated and distinguished station is the proof, the fruit and regard of the ability and fidelity with which he has discharged the official duties of every proud and responsible station, assigned to him by his country—is it possible that he is unacquainted with the first principles and rules of grammar and arithmetic? Such poison going forth with the report carries its own antidote. Should an appropriation ever be made such as the gentleman recommends, he (Mr. D.) should be unwilling that the gentleman [Mr. P.] should receive any portion of it as the Secretary's tutor, until he had seen some new evidence of his capacity to teach him. He had manifested some warmth, and he hoped he would be excused, for such feelings and such a disposition constituted a part of his nature, and the exercise of such feelings, he felt proud to say had been and would continue to be his practice. Should charges of a light character, or any other which were unjust, and calculated to injure or impair the reputation of the gentleman from South Carolina, or any other gentleman, in whose honesty he had confidence, be made on this floor, or elsewere in their absence, he (Mr. D.) if present, would exert his feeble efforts to defend him or them. He who attacks an absent friend, or who does not defend him when attacked by another, or who yields even a silent assent, when his friend is caluminated, must be regarded as wholly unworthy of confidence or esteem.

But to return to the subject of this bill. Is it good policy for the Government to deposite her money with the States, for their use, when she wants to use it herself? The decision of this question seemed to him a small business. Present the naked question, and there was no schoolboy in the district he had the honor to represent who did not carry the answer on the end of his tongue. What was there about the question that prevented it from being a plain easy question to answer? We are told that there exists a contract between the Government and the States that is binding in law, in equity, and in conscience; that Congress, by a solemn act, had agreed to deposite the surplus revenue with the States for safe-keeping, provided the States would agree to receive it, and that the States had agreed to the only condition necessary to complete the contract, viz: to receive them. Therefore, the States were entitled to the full benefit of the contract, and in good faith the money ought to be paid over. What miserable sophistry! What pitiful subterfuge to cover nakedness and deformity, and how far from every true principle connected with the question! What is the title of the deposite act? "An act to provide for the deposite of the surplus revenue, and safe-keeping of the same." Is there any thing in the title of this act that authorizes the belief that Congress intended that the States should have any other benefit from the public moneys than a depositor should have from any

general deposite? Is there any expression in the body of the act that conveys any other meaning? On the contrary, is it not full of provisions by which such inferences are studiously foreclosed and avoided? Does not the act provide the manner in which the Secretary of the Treasury shall recall them whenever the circumstances of the Government may require? Did the supporters of that law attempt to convey the idea, or advance the argument, when it was under consideration, that the surplus revenue, in the form of a deposite, was really to be a gift to the States? No, sir. At the time the bill was under consideration, there was no idea held out or advanced other than that the money was to be placed with the States for safe-keeping. But gentlemen who rejoice at the embarrassed state of the Treasury, and who are shouting that their former predictions of misrule and ruin are verified, are willing, in violation of the meaning, spirit, and express words of the deposite law, to withhold from Government the necessary funds of conducting its only legitimate operations, and that, too, for party effect; so that possibly what they heretofore predicted, and now declare has happened, may yet, peradventure, prove true. But in what section, sentence, word, or syllable of that act is the provision to warrant the statement that the Government is pledged to deposite with the States the means of her own, which are necessary to conduct her own concerns? Sir, such a construction of the act, and such a policy, is revolting to every economist and correct judge of ordinary dealings and business habits. In what, he again asked, did the plighted faith of Government consist? It seemed to him to have all the characteristics and features of any individual transaction, and all the rules of justice, honor, and equity, that apply in one case will apply in the other. Suppose (said Mr. D.) I tell a friend and relative that I shall, at a given time, have more of the needful than I shall want for my own use, and, knowing that he has a better way of securing and keeping it than I have, I will deposite it with him for safe-keeping. That I will deposite my money with him in instalments, as it accrues upon my stocks, my farms, and from my factories, provided he will accept it, and safely keep it until I want to use it. That, in conformity with the proposition thus made by me, and acceded to by my friend, I had made deposites at three different times; but before the time arrived for making a fourth, according to the terms of my proposition, my income is cut off, my factories are consumed by fire, the crops on my farm are destroyed, and the value of my stocks deteriorated by some accidental or unaccountable circumstance: should I be bound in law, in equity, or morals, to complete the fourth deposite, at the expense of my business, my prosperity, my happiness, my domestic comfort, or my business reputation? No man in his senses would say that I should. All the reasons to excuse the compliance with the proposition to deposite, in the individual case supposed, will apply to the proposition of the Government contained in the deposite act.

But, before I conclude this part of my remarks, let me ask where would be the advantage to the States and people if they adopted and acted upon the propositions and principles of the gentlemen opposed to the bill, by fully executing the deposite act? It had been shown that Government must contract a loan, in some form, equal to the amount to be paid; and who must pay it? Where is the money to come from when pay-day arrives? Why, the people. What advantage to them to make the payment to the States, and then turn round shortly and levy a tax upon the people who compose the States, for whose benefit alone the law is to be executed? Is there any good to be derived by an odious, and dangerous, and unconstitutional, and deceiving exercise of the power to levy money? Has not our Government been shaken, and the very existence of our happy Union already threatened, by a policy of this description—odious to every friend of equal rights, and as unconstitutional as odious? His objections to incur a debt, to enable them to make the deposite, appeared to him of great weight. He thought it would indirectly establish the fact that the Federal Government had the right to levy taxes in the form of a "tariff"—which is an indirect tax upon the people, and in its effects as oppressive as a direct one—and thereby to collect money from the people to bestow on the States.

And here, sir, (said Mr. D.,) is where the great secret lies; this is the mainspring of all the hostility to the bill. If its opposers, who were the enemies of the administration, and represented the party that had been striving to aggrandize the Federal Government at the expense of the reserved sovereignty of the States, and to strip them of their independent rights, ever since the formation of the Union, could succeed in preventing the passage of the bill, they will have achieved a great and important point—an exercise of power no less than that of taxing the people at will, and of providing the means of subjugating them and the States with their own money. And the failure of the bill would exhibit a standing record of a precedent and warrant that the Government possessed the right of exercising such a power henceforth and forever, which would be felt so far as the influence of those composing the body would extend. Sir, look at the ridiculous predicament in which the General Government and States will be placed by the failure of the bill, and a resort to a loan. First, the Government borrows money on interest, and deposites it with the States, for their use, without interest. The people at least lose the interest in this ridiculous operation.

But the States must have receiving officers who must be paid; they must have disbursing officers, and they must be paid: thus the money is diminished by per centage and fees, in addition to the loss of interest. They may also employ dishonest men as their agents, and thus entirely lose the principal. Again: If Government has to make a loan, there must be officers employed for that purpose. These will sweat away a little of the cash in fees and salaries. When pay day comes there must be paymasters and receivers: there must be fees also, and the fund is sweated again. It may be that the Federal Government, by dishonest hands, may lose the principal fund when paid back and diminished, as I have shown it must necessarily be; or she may lose large sums when borrowed, that will never get into the hands of the States. If the bill does not pass all the honest drains which I have noted, and perhaps more, must occur, and the dishonest ones may occur. I put it to the good sense of every individual who hears me, if it is not better that the General Government keep its own money, and use it for the purposes for which it wants money, and must have it? Mr. D. said he was not only in favor of this bill, now the surplus revenue was disposed of, but he was opposed to the policy out of which it grew. The unequal, extravagant, and excessive tariff; the system miscalled "the Great American System;" a system which he hoped, as he hoped for the preservation of the constitution, the support of our free institutions, and the perpetuity of the Union, never to see again revived but from imperious necessity, which he hoped and believed never would exist. He would not leave the subject without recurring to the motive which had originated the policy that created the surplus. He said it had ever been the object of the opposers of the administration (he meant the federal party, for he liked to call things by ther right names) to enrich the Federal Government, and thereby diminish the reserved sovereignty and independence of the States, and consequently the liberty of the people. They were the same party, and governed by the same principle, which wanted, at the inception of the Union, "a limited monarchy, and a Senate for life; and after failing in that, had striven from that time to this for a Government as nearly monarchical as possible; a rich and powerful, great

and consolidated Federal Government will suffice, provided nothing better can be had. He asked the friends of liberty how long it would be before that class of politicians would have what they wanted as a substitute for a limited monarchy, provided it were once determined that the General Government had the power of raising, by direct tax or indirect tax, any sum beyond what was really necessary for the exercise of its constitutional duties, how long before the prostration of the State Governments, except in form, would be effected? For, the moment they admitted a dollar could be raised for any other purpose, they admitted a principle by which any number of millions might be levied. Where, then, would be their personal liberty, their State sovereignty? What would have been gained by their independence? Gone, sir! gone forever—swallowed up and merged in the great vortex of federal wealth and power. Sir, (said Mr. D.,) when our gallant ancestors shook off the fetters and shackles that bound them to the British throne, the aggregate amount of freedom and independence then belonged to the people in their individual capacity, and to the emancipated colonial Governments. When the union of the colonies formed the Federal Government, the colonial Governments, under the designation of States, each surrendered a portion of its sovereignty, or rather yielded certain of its State rights, to the Federal Government; but there was no increase or diminution of power; it was no more than a transfer of the right to exercise power. It took of the power which the States had derived from the people, and gave to the Federal Government; and what was not transferred was reserved.

Mr. D. said, "money is power;" that as an individual, a State, or a nation became rich, it became powerful; that as a Government became rich, (when it was made so by taxes,) so in proportion did the people become poor; that in proportion as the Federal Government became powerful in this respect, so did the State Governments become weak and dependent, because the amount of power thus derived was taken from them. The diminution in their strength might be measured by their indebtedness. If the Federal Government is unrestricted, and may collect taxes from the States and people, she must become rich and powerful at their expense, unless she pays it back. He hardly thought many of the people would be willing to have a collection of a sum made from them, that a part of it might be paid back.

He thought it very important that the State and General Governments should each be confined to the objects for which they were created. If they were permitted to pass their bounds, there could be no calculation as to the result. It was clear to his mind that the United States had no powers not granted in the constitution, and there could not be found therein the grant of any power to loan or levy money to give away, or to afford the opportunity of having it well kept. Usurpations are dangerous; he would never tread on even doubtful ground, if he could avoid the necessity. If the General Government assumes the exercise of powers not expressly granted by the constitution, she comes in collision with the reserved rights of the States. If the State Governments assume the exercise of powers which have been surrendered to the General Government, or which have never been surrendered by the people, they come in collision either with the General Government or the liberties of the people. If the constitutional bounds in either case are overleaped, what assurance have the people that their liberties and reserved rights may not be imperceptibly frittered away and swallowed up by the Governments created originally for their protection, and they stripped naked as a Danish boor or a Russian serf, especially if the United States may tax them, and the States may tax them, when neither tax is to be levied for either national or State purposes. It was by gradual usurpations that any Government became tyrannical. No people ever gave up at once more of natural and inherent rights than was necessary to protect the residue. Mr. D. repeated he should vote for the bill, because he was opposed to the policy out of which the surplus grew.

I go for it, because the purposes for which the deposite act was passed have been accomplished, viz: the disposal of an accumulated fund. I go for it, because the Government wants the use of the money, and must have it, and has no right to supply its place, if not used, by a tax or loan. He acted in this matter without any instructions from his constituents; all that guided him was his own judgment, and a knowledge of the fact that he had the honor to represent a high-minded and honorable people, who stood ready, at all times, to maintain their Government—a people who did not carry their patriotism in their pockets; whose love of liberty did not consist in the enjoyment of a few dollars and cents, but in love of country, in an attachment to her institutions, and in a disposition to sacrifice every selfish and personal consideration to the shrine of correct principles—a people who do not live for themselves, but for their friends, their country, and posterity.

Mr. GARLAND, of Virginia, said that he did not intend to follow the gentleman from Kentucky [Mr. UNDERWOOD] in the discussion of his favorite project, a national bank: in the proper time, he should be prepared to go into that subject, and show that such an institution was both unconstitutional and inexpedient. Nor would he, upon this bill, enter into a discussion of the merits of the sub-Treasury scheme; he was prepared, when the bill involving that question came up, to offer reasons which constituted, in his mind, insuperable objections to it. On the question immediately before the House he would offer a few very brief remarks. The present measure had arisen under the deposite bill of June, 1836. That bill had been repeatedly charged as the foster-mother of all the existing difficulties of our situation, and the true source to which was to be traced the prostration of our national prosperity: but that imputation he should deny. He had voted for that bill, and in like circumstances would do the same again. It was a wise law. Without going into any remark on the manner of its execution, and without charging on those who directed it more than that portion of error which was ever incidental to humanity, he might be permitted to say that if its execution had been as wise as was the law, it would have exerted a most powerful influence in preventing the catastrophe which had since taken place. He should not retreat from the ground which he had then assumed; he believed it a wise law when it was passed, and he believed it a wise law still. He had supported it because he wished to wrest from the Executive hand so much of the means of mischief. He had, indeed, high confidence in the then Chief Magistrate: he had ardently and devotedly supported his administration: but he would never trust such power in any human hands. As to the law itself, what was it? Many contended that it was intended to confer a gift on the States: but he denied the correctness of such a construction: had he believed such to be the object or operation of the bill, he should never have voted for its passage; for he did not believe that this Government had any power under the constitution to collect money from the people merely to give it out to the States. He had supported and understood it as a deposite law, and he now meant to carry out that principle.

The question to be settled was, whether the amount of this fourth instalment of deposite, which had not yet reached the State treasuries, was the money of the Federal Government, or the money of the States? If it was the money of the States, then it ought not to be withdrawn from them; if it belonged to the General Government, then the question arose whether it ought to be disposed of in any other manner, while it was needed for the use of the Gene-

ral Government? But had the Government need of this money? That might be somewhat doubtful. Mr. G. said he had examined the report of the Secretary of the Treasury, and had also listened to the statement of the chairman of the Committee of Ways and Means, and to all the other statements which had been given by other gentlemen, and he must confess that the confusion was worse than that which had prevailed at Babel. In the midst of the various and conflicting statements, however, he had ascertained one thing which would direct his vote. He had ascertained, to his own conviction, that if the deposite law should be fully executed, and the last instalment under it paid to the States, there would be a deficit in the Treasury of ten or eleven millions of dollars. How was this to be met? By a future surplus revenue? He would ask the representatives from the consuming portion of the community how this amount was to be raised? By a tax on the goods their constituents consumed, and which they must pay! If so, it was the interest of those portions of our population rather to let the money come at once into the Treasury. But it had been said that this would be to practise a deception upon the States. How so? Did not the act depositing the money with them expressly say that at certain limited times, and in limited sums, the Secretary of the Treasury might recall it? And how much less would the States be deceived, if the money should be paid them, and then immediately recalled, than if it should be withheld from them? It would be of little value to them when the whole should be again drawn out of their hands in 60 or 90 days, though it might be drawn for in small sums. Indeed, it would be worse for them.

It was not prudent in the States to make a disposition of the money till they got it in their hands. The money was still in the hands of the General Government. The States could not be under any obligation to restore what they had not received; their obligation could only extend to restore what they received. Mr. G. regretted the state of the finances, which rendered it necessary to call back for the use of the General Government any part of the funds which had been set apart to be deposited with the States, because it was calculated to impair public confidence. The money, however, was not in the hands of the States, neither was it in the Treasury. How, then, was it to be got? It had been said that the Government, in extending its care over the interests of the whole nation, must look to the revenue laws, or to the banks of the Southwest, to pay up what they owed. But was this a proper state in which to place the public finances? If the Secretary of the Treasury was wrong in his calculations, and the Treasury in fact had the means to pay the instalment, as some gentlemen contended, the responsibility of having presented an erroneous statement, and thus led the House into corresponding legislation, would rest upon that officer, and not on this House, for the House will have acted on the state of things he had presented. Mr. G. said he should not enter into any discussion of the statement of the honorable gentleman from Tennessee, [Mr. Bell.] The ability and general accuracy of that gentleman was admitted by all; but he had not in this case looked into the hands of the disbursing officers of the Government. Mr. G. wanted him to ascertain whether there was not more money in the hands of these gentlemen than they were directed by Congress to disburse; if such was the fact, the balance might be recalled.

[Mr. Cambreleng here asked leave to explain. In presenting to the House his exhibit of the actual state of the Treasury, he had omitted one very material point. Although Congress might appropriate a balance of a million of dollars, to be disbursed by its agents, yet there might not be in their hands over $5,000 at any one time.

Mr. Bell stated that, on the 1st of August last, there had been actually in the deposite banks four and a half millions of dollars which had not been paid away by these gentlemen.]

Mr. GARLAND resumed. He said it was imposible for him to know what was the true state of things from such conflicting statements; he had neither time nor means to ascertain it; he must, of necessity, act on the report as presented by the Department; that was the difficulty of his situation; and on the report as it stood he should vote for the bill. He would not, however, admit as sound all the grounds which had been stated in its favor. He did not admit that there was so great an amount of unavailable funds to be supplied by Treasury notes. But as the Secretary officially stated that the money could not be reached in time to meet the exigencies of the Treasury, on that ground he should vote for the present bill. The Government owned this money, the Government wanted it, and he said the Government must use it.

Mr. BIDDLE said that, in the course of a debate, matters often incidentally started up, which arrested attention more forcibly than the original subject of discussion. It had been so with him on hearing the expressions of impatience which had just fallen from the honorable chairman of the Committee of Ways and Means [Mr. Cambreleng] at our tardy progress with this bill, compared with the alacrity and promptitude of the Senate. Was it not singular to hear the House of Representatives thus chided, whilst anxiously laboring to understand the Secretary of the Treasury on a matter touching the distribution of an enormous amount of money? How long since was it the fashion to decry and denounce the Senate as a body stationary and aristocratic—so far beyond the reach of the people that it ought to be expunged from the system? For how many years had this been a fierce party war-cry? This House, on the contrary, used to be glorified as fresh from the people, and reflecting its latest opinions. Why this change of tone? Why present this House to the country in disadvantageous contrast? It was somewhat remarkable that we heard such language for the first time on the very morning which brings us authentic intelligence of the great victory in the East. Did that news already render it important to attract attention and confidence towards the body which would be the last to exhibit the influence of that happy change in public sentiment which was now in the rapid process of development?

With regard (said Mr. B.) to the bill before the House, the position of Pennsylvania was fortunately one which enabled her Representatives to bring it to a tranquil judgment. Thanks to the sagacity and firmness of her Chief Magistrate, she had escaped entanglement in reckless appropriations that might have compelled her, at this moment, to look with anxiety and trepidation to the issue of the debate.

Still, it was a matter to that Commonwealth of a million of dollars. He was asked, and indeed somewhat hurried, to give a vote which would deprive her of that sum. He was to do this mainly on the ground that the only funds in the Treasury applicable to the purpose were notes of the pet banks, or credits on the pet banks, so depreciated or utterly worthless, that it was idle to suppose they would be recognised as money.

The first question here, as in many other heated arguments, was, as to the true state of the facts. It was frankly admitted by an honorable member of the Committee of Ways and Means, [Mr. Hamer,] that the burden of proof lay on the administration. We must have the clearest possible case to justify us in withholding from the States what had been set apart for their use. Was any such clear case made out? No gentleman had been hardy enough to stand up in his place and say that he comprehended the Secretary of the Treasury. We have had half a dozen different statements from friends of the administration as to what they understood of the matter; but these statements were irreconcilable; and, furthermore, we had

no assurance that the responsible officer adopted these statements or vouched for their accuracy. An honorable gentleman from North Carolina [Mr. McKAY] (whom he had, the other day, from very imperfect vision, designated by an epithet appropriate, he believed, as to character, but inappropriate as to age) went, it seems, to the Secretary for the very purpose of having all doubts resolved. Yet, on producing his memoranda, we saw, at once, that the first plunge was into an error of five millions! Can it be pretended, then, that we have before us the materials for acting on this momentous subject? Can we make any statement to our constituents that will not expose us to derision? Can we even venture to describe the scene that has passed before our eyes, without incurring the suspicion that we are trifling with their credulity? The statements submitted by the gentleman from Tennessee, [Mr. BELL,] and the gentleman from Kentucky, [Mr. UNDERWOOD,] showing that the means were abundant, had struck him as accurate and conclusive. But it was sufficient that he was utterly without data to warrant his arresting the course of past legislation.

Mr. B. said he had a great repugnance to this bill, in its present shape, from its evident air of insincerity as compared with the plain designs of those who were urging it. Did any gentleman dream that, if it became a law, the subject would ever be heard of more? Was it not regarded, and so urged, as an extinguishment of all hope, on the part of the States, of ever receiving one dollar of these nine millions? And yet, what was its language? It talked of "postponement;" thus recognising the validity of the claim, and making the fulfilment of our promise a mere affair of time. We plead poverty. We ask indulgence. And what inference would the States be authorized to draw from this phraseology? It is undeniable, from the Secretary's own statement, that on 1st January, 1837, there were in the Treasury upwards of thirty-seven millions for distribution amongst the States. The whole was applicable to this purpose, the division into instalments being merely designed to guard against the inconveniences attendant on the too rapid shifting of so large a sum. But the Secretary now tells us he has broken in upon this special fund. And when we ask those for whom it was destined to wait on us, to what length of time would the postponement be reasonably supposed to extend? Surely not beyond the earliest period at which we could replace the money thus abstracted. Would not the States be justified in entering upon expenditures, in the hope of speedy reimbursement from this quarter? And, yet, sir, how many who vote for this bill will be prepared to respond to such a call? One gentleman is urgent for its passage, because the money can only be raised by a tariff, and he will never submit to a tariff. Do not his high and honorable impulses, then, revolt from palming a deception upon sovereign States? Are we not holding out to the ear a word of promise which we never mean to fulfil? If we think a state of things has arisen which justifies or demands our escape from the stipulations of the deposite law, let us say so manfully and openly. Let us repeal the law. But let us not leave behind us an act which will subject our successors to endless importunity, and ourselves to the imputation of a low and miserable artifice. It was well worthy of notice by Pennsylvania, by New York, and by other manufacturing States, that if these claims get the go-by now, by this bill, any recurrence to them hereafter will be mixed up with the tariff; and the two topics act on each other in a mode that he was not now disposed to enlarge upon.

But it is said the alternative is forced upon us either to pass this bill or to raise nine millions of dollars from the people. Mr. B. saw the matter in no such light. Suppose the first of October come and gone: why could not the Secretary give to applications the same answer which this bill gives? Nay, a more civil explanation; for here we assign no reason at all. Surely, when the Secretary of the Treasury is empowered to recall instalments already paid, on the ground that they are necessary to meet the exigences of the public service, he might very well explain that, though he had forborne to make such a call, yet, with regard to the remaining instalments, there were either no funds, or none that could be spared from current and urgent demands. Persons, having established claims, were repeatedly put off in this way! Appropriation bills were often vexatiously delayed; yet it was not thought necessary to pass an intermediate law postponing the pay or salary of the army and navy, or of Executive officers or clerks. But, besides being superfluous, might not legislation involve some consequences not perhaps foreseen? For example, the claim at present would seem to be on the kind of funds in the Treasury on the 1st January, 1837. If we postpone it, and use the funds, does it not become a claim at large on the Treasury, completely changing the character which it bore under the deposite act? All legislation not indispensable, was vicious and entangling. In no light, therefore, in which he viewed the subject, could he be reconciled to vote for the bill.

But, sir, (said Mr. B.,) the honorable gentleman from New York [Mr. CAMBRELENG] has adroitly contrived to turn it into a party weapon. He has seized the occasion to proclaim before the House—and it is now speeding to every corner of the Republic—that his hands, at least, are pure from the defilement of the deposite act. The inference plainly conveyed to the country is, that the embarrassments which now demand legislation at our hands are to be charged upon those who aided in the passage of that act. Is this right, sir? Is it just that the public mind should be preoccupied by these assertions?

When the honorable gentleman dwelt so much upon "available" and "unavailable" funds, was it not forced upon every one to reflect when, and by what means, it had become necessary to resort to such epithets in describing the resources of the country? By what process is it that the money in the Treasury has become so worthless that the Secretary is ashamed to offer it in payment?

Sir, the gentleman from Kentucky [Mr. UNDERWOOD] has well and powerfully sketched the true causes of our present disastrous condition. Whilst he was speaking, on points which have thus unexpectedly started up, I procured from the library a volume (Niles's Weekly Register) which may enable us to trace the history of the matter, and to test the accuracy of his statements.

In the paper—ascribed to the pen of Mr. Kendall—which the President read to his cabinet on the 18th September, 1833, in relation to the deposites, there is found this passage:

"All doubts as to the willingness of the State banks to undertake the service of the Government, to the same extent and on the same terms as it is now performed by the Bank of the United States, is put to rest by the report of the agent recently employed to collect information; and from that willingness their own safety in the operation may be confidently inferred. Knowing their own resources better than they can be known by others, it is not to be supposed that they would be willing to place themselves in a situation which they cannot occupy without danger of annihilation or embarrassment."

This, surely, is precious reasoning—that the eagerness to get hold of money is the best evidence that it will be returned when called for. Yet the conclusion is at once jumped to, that "the State banks ought immediately to be employed in the collection and disbursement of the public revenue, and the funds now in the Bank of the United States drawn out with all convenient despatch."

The agent thus referred to was Mr. Kendall, then holding a subordinate station, but subsequently advanced to the

office of Postmaster General, at a salary of six thousand dollars per annum.

On the 9th October, 1833, this personage, in a letter to the editor of the New York Standard, alluding to the Bank of the United States, says: "Yes, sir, this boasting giant is now but a reptile beneath the feet of the Secretary of the Treasury!" In the same letter he exultingly exclaims: "Thus has this haughty institution been brought to its knees at the first step of the State banks!"

But there is another letter still more worthy of notice at the present moment. I allude to the one addressed by Mr. Kendall to the firm of Beers & Co., brokers of New York. It was assuredly not intended for other eyes; but it was rashly published by his correspondents, for a special purpose, in the administration paper at New York. I take it as put on record in Niles's Register. The name of the bank alluded to is suppressed in the publication. It will be borne in mind that Beers & Co. were the principal parties in an effort to break the Branch Bank at Savannah, by a sudden demand there for specie on notes which had been accumulated for the purpose.

"Washington, 28*th September*, 1833.

"Dear Sir: Your letter of the 26th instant is at hand. Since my return I have received several letters from you, all of which have remained unanswered, as have all other letters from New York, merely because I resolved to have no correspondence until the great question should be decided.

"On account of your devotion to the cause I had so much at heart, I was anxious that the ——— Bank should be employed by the Treasury Department; but, on considering the subject in all its bearings, it was thought proper, at present, to confine the selection to the three banks of large capitals already named to the public. The question is yet open as to the ——— Bank.

"With high respect, your obedient servant,

"AMOS KENDALL."

I pray you, sir, to pause upon this letter. At the present moment, when we are all deploring the loss of so many millions of the public money, I would call upon the whole country to look at the covert motives which influenced the destination of that money. What was "the cause" so dear to Mr. Kendall's heart, the "devotion" to which, on the part of Beers & Co., rendered him so "anxious" to gratify them in the selection of a pet bank? Who doubts that the bond of sympathy was a common hate of that national institution in which Congress had placed the public treasure, then about to be forcibly wrested away in contempt and defiance of Congress? And mark, sir, how cunningly the hopes of eager political partisans continue to be fed! As the names of the selected banks had already been published, it was feared that suspicion and dissatisfaction might arise at the sudden addition to the list of an associate probably of doubtful standing. Mr. Kendall, therefore, waives, "at present," the importunity of his good friends. But only for "the present." Let not Beers & Co. be soured. Let them not, in disgust, disclose the secret plots, the precious outpouring of spirit at the shrine of a common devotion! No! The matter was "yet open." An occasion would be seized to gratify this longing after a portion of the spoils. I put it to the common sense of the country whether a second refusal would be hazarded on the occurrence of any plausible pretext, when Mr. Kendall should be reminded of "devotion" to "the cause so dear to his heart;" and that the ground of former apology had disappeared? No, sir. Rely upon it, should light ever visit these transactions, it will be found that there perished in that anonymous bank a large portion of the public money! And the consideration paid for that money was increased ardor of devotion to the cause which Mr. Kendall had so much at heart. The country got for its money—all it will ever get—vociferous shouts of "down with the Monster!"

And this, sir, is the public officer who has made it a matter of boast that he wants no further legislation, and that he can keep up a specie currency in the Post Office Department. How? Why, by scornfully rejecting, at the ten thousand offices, every dollar of the better currency—every dollar of that bank paper to which his acts and reports contributed to give amongst the people a false credit and a diffusive circulation, and into which he has succeeded in transmuting upwards of forty millions of dollars of the public money! The very paper thus rejected by him has been palmed upon the States; upon the widows and orphans of those slain in battle; upon the Revolutionary soldier; upon the army and navy; upon the gallant volunteers of Tennessee; upon ever laborer in the public service! The remainder is now said to be altogether worthless! The Secretary dislikes to be visible in an effort to pass it off!

Mr. Chairman, at the date of these transactions, there stood at the head of the Treasury Department a Pennsylvanian, William J. Duane, chosen for his early and ardent devotion to General Jackson, and distinguished for the purity of his public and private life. Let me ask your attention to some of the reasons which he respectfully offered in opposition to that hasty and implicit reliance on State banks, which Mr. Kendall and others were so vehemently urging. In the paper dated 21st September, 1833, addressed to the President, he resists the project for the following amongst other reasons. I quote his own words:

"Because it is not sound policy in the Union to foster local banks, which, in their multiplication and cupidity, derange, depreciate, and banish the only currency known to the constitution, that of gold and silver.

"Because it is not prudent to confide, in the crude way proposed by your agent, in local banks; when, on an average of all the banks dependent in a great degree upon each other, one dollar in silver cannot be paid for six dollars of the paper in circulation.

"Because it is dangerous to place in the hands of a Secretary of the Treasury, dependent for office on Executive will, a power to favor or punish local banks, and consequently make them political machinery.

"Because I consider the proposed change of the depository, in the absence of all necessity, a breach of the public faith.

"Because the last House of Representatives of the United States pronounced the public money in the Bank of the United States safe.

"Because a change to local and irresponsible banks will tend to shake public confidence, and promote doubt and mischief in the operations of society."

Sir, for the utterance of sentiments like these—every line breathing a free and patriotic spirit, and imbued with prophecy—Mr. Duane was proscribed. We of Pennsylvania saw our distinguished fellow-citizen hurled ignominiously from office, because he was an honest and vigilant guardian of the public purse. Yes, sir, kicked out of the Treasury, to make way for the work of spoliation!

Mr. Chairman, is it seriously believed that the people can be forever gulled and deluded? No, sir! Hollow and deceptive promises are now received with incredulity and disgust. A worthy farmer in my district lately exhibited to me a pamphlet, which had come to him through the post office—he knew not whence—purporting to be a "Speech of Mr. Benton, of Missouri, on the resolution of Mr. Ewing for rescinding the Treasury order, delivered in the Senate, December, 1836." He called my attention to the following paragraphs:

"Never before did the prosperity of the country equal the present time. Never was there such exuberance of prosperity; and that, after making due allowance for what is fictitious, from the excess of paper and the effect of a depreciated currency."

And again:

"No longer can banks set themselves up above law and above Government. No longer can they stop payment, and force their dishonored paper upon the country. The bank that would now attempt it would instantly be put to the test of insolvency, and subjected to the laws of the land as well as to the law of public opinion. Her dishonored paper would be driven in upon her, and the last hard dollar extracted from her vaults. These being the fruits of President Jackson's great measures for restoring a specie currency, who can justify the opposite course which is now proposed."

Mr. Chairman, it is undeniable that thousands have been deluded by this kind of language. It proffered to the people a broad unqualified guarantee of every State bank note in the country. They relied implicitly on assurances from so distinguished a quarter. The market people fearlessly took these notes home in exchange for the produce of their farms and gardens. And now the trash has perished on their hands, and the banks turn on and defy them.

Do you suppose, sir, that any body can be twice induced to put faith in such representations? Can it be that a shrewd and thoughtful people will patiently await the issue of a new humbug, a new projection of Alchemy, a "Search No. 2," of some new Dousterswivel? He who thinks so must, indeed, entertain a most thoroughly contemptuous opinion of his countrymen.

Mr. BIDDLE said he had been carried far beyond his original purpose. He had to apologize to the House for thus trespassing on the patient attention it had been kind enough to bestow. He had only to revert to the bill, and to repeat that he had heard nothing which justified his judgment or his conscience in abandoning the claim of his native State to a million of dollars. He would not act on perplexed statements or confused apologies unintelligible to himself, and which it would be ridiculous on his part to attempt to explain to others. More especially would he not take things on trust—in the dark—when it was undeniable that all the difficulty had grown out of political tampering with the Treasury funds, for which the party in power was responsible, and which it had an interest in disguising and mystifying. Be the state of the Treasury, however, what it might, he could see no benefit in passing the present bill. It only disturbed the simple character which the claim of each State will continue to wear in case of inability to meet it on the 1st of October. Let it rest on any merit which it now possesses. Let it lie under protest. Why enter upon new and uncalled-for legislation, which might either prejudice the claim—give it the go-by—or, on the other hand, be hereafter regarded as imparting to it a scope and efficacy unwarranted by the terms and design of the deposite act?

On motion of Mr. LOOMIS, of Ohio, the committee now rose, reported progress, and

The House adjourned.

THURSDAY, SEPTEMBER 21.

PETITION FOR A NATIONAL BANK.

Petitions having been called—

Mr. EWING presented the memorial of 161 citizens of Mount Vernon and its vicinity, Posey county, Indiana, praying the establishment of a specie-paying national bank, and asked permission to accompany the presentation with a few remarks, which the rules of the House prohibited.

[Mr. E. handed to the reporter of the National Intelligencer debates the following as the tenor and substance of his remarks, forbidden by the rule:

That he should always take pleasure in becoming the medium through which the sentiments and wishes of any portion of the patriotic, intelligent, and enterprising citizens of Indiana reach the councils of the Union, and more particularly when, as in the present instance, he found the sentiments and views of all quarters of his State so happily accordant with those of his own immediate constituents. The memorial he held in his hand embraced sentiments and involved principles in strict unison—ay, distinctly associated at this moment with the ever-to-be-remembered name of the place from whence it comes—sentiments now held, he believed, in common by a large majority of the People of his State, as was evidenced emphatically on the first Monday of August last, in every congressional district thereof, except, indeed, the one from whence the memorial came; and there, experience is not lost, as he felt pleased to observe some of the most influential friends of the late President have signed this application.

That the signers of this memorial do not believe any organic change of the constitution is required to authorize relief to the "democracy of numbers;" they pray for a national bank to regulate a depreciating, and supply a sound convertible currency, and they believe there exists no constitutional impediment, although functional restraints and functional improvement must be made to remove the existing objections and the apprehended danger; they know that partial relief will only tend to aggravate the general distress, and that the entire West, more than any other portion of the Union, suffers for want of a general uniform currency; they know that "money is power," and feel that they are a component part of this people to whom (in theory it is admitted) all power rightfully belongs; and, therefore, they will never relinquish the control and direction of their own credit; yes, they know that "money is power," and the whole country know it; witness the change throughout this Union since this administration was divested of a portion of the surplus! The decision of matters now before this House will show if the House, which should present an epitome of the whole people, be likewise changed; they know, as do all, that the sage of Mount Vernon, nor any of his worthy successors, never sought to perpetuate power by a Treasury control of the best currency; that they never resorted to the guise of "separating the Government from the banks," by seeking to unite officers of Executive appointment with a paper system. They and the country know these facts, and would now implore this body to forget its possible instrumentality in the real causes of the existing embarrassments, as an approval of remote causes should carry with it no approval of unlooked-for consequences.]

CLAIMS AGAINST FRANCE PRIOR TO 1800.

Mr. HOWARD presented the petitions of the executors of Joseph Mussi, deceased, and of the legal representatives of Joseph Borden, deceased, together with those of nine hundred and fifty-six petitioners, now on file in the House, praying that compensation may be accorded to them for property taken for the service of the United States, in the year 1800.

The mere mention of the far distant date at which these claims originated, Mr. H. said, would, in a great measure, explain to the House his reasons for presenting these petitions at this time, when, under the rule of the House, no reference of them could be made to a committee. He understood that it was the intention of these claimants to press the examination of their claims upon the committee who might be charged with their investigation, and if such investigation should result in the report of a bill, then to press upon the House the consideration of that bill at some period of the approaching winter. They had desired their petitions therefore to be brought thus early to the notice of the House, in the hope that some portion of the leisure which the members now had might be bestowed upon an inquiry into claims which were closely connected with an interesting portion of the history of the country. At the last session of Congress, it would be remembered that he

had reported a list of the claimants, which had been printed by order of the House, that it might be seen who those numerous claimants were, and in what States they lived.

The petitioners state that, prior to the year 1800, their property had been seized upon the high seas by French cruisers, and their vessels and cargoes condemned, in violation both of national law and express treaty. After much negotiation between the United States and France upon the subject of these repeated and intolerable outrages, the Government of France expressed a willingness to make compensation, and would have done so, but for a measure of public policy on the part of the United States, arising from this circumstance: In 1778, a treaty of alliance, offensive and defensive, was formed between France and the United States, in which they had reciprocally guarantied to each other the integrity of their possessions: and a treaty of commerce was subsequently made, by which great privileges were secured to France. These stipulations, which were merely nominal when the treaties were formed, proved very onerous when the commerce of the United States became extensive, and when a demand was made that the guarantee should be fulfilled by preserving to France her West India islands. The United States insisted upon being exonerated from these very troublesome stipulations, and France, with equal pertinacity, insisted upon their immediate fulfilment. To escape from these embarrassing articles in the treaties, the United States released France from the obligation of making compensation to the petitioners, and France, on her part, consented to abandon the important rights which she held under the old treaties, and which were otherwise indestructible. The result was, that the petitioners lost their property which France had expressed her willingness to pay for, and the Government of the United States made this property the equivalent for obtaining great national advantages. Against this use of their property the petitioners never remonstrated; but, against its being taken for the public use without compensation, they have complained from that day to this.

A large number of memorials remonstrating against the annexation of Texas to the Union, were presented as on former days, especially from the States of Massachusetts and New York.

BANKRUPT LAW.

Mr. THOMAS, chairman of the Committee on the Judiciary, rose and stated that he had been instructed by that committee to state to the House that the committee had this day adopted a resolution that it is inexpedient to report a bankrupt law at this special session of Congress.

FLORIDA WAR.

The House then proceeded to the unfinished business of the morning hour, which was the consideration of the following resolution, submitted by Mr. WISE on the 19th instant:

Resolved, That a select committee be appointed by ballot to inquire into the cause of the Florida war, and into the causes of the extraordinary delays and failures, and the enormous expenditures which have attended the prosecution of that war, and into the manner of its conduct, and the facts of its history generally; that the said committee have power to send for persons and papers; and that it have power to sit in the recess; and that it make report to the next session of Congress.

The CHAIR stated the question pending to be the motion submitted on yesterday by the gentleman from Massachusetts [Mr. CUSHING] to strike out the words "by ballot."

Mr. CUSHING, however, rose, and stated that he had on yesterday suggested this amendment to the gentleman from Virginia, but that he had not made the motion to strike out. The journal was corrected accordingly.

Mr. GLASCOCK then rose and stated that he did not desire to take up the time of the House at the present session, which was called for another purpose, in discussing this resolution, as there would be a time hereafter more appropriate for doing so. Mr. G. then moved to amend the resolution by striking out all after the word "resolved," and inserting the following:

"That a select committee be appointed to inquire into the causes of the Florida war, and the causes of the extraordinary delays and failures, and the expenditures which have attended the prosecution of the same, and all the facts connected with its history generally; and that said committee have power to send for persons and papers."

Mr. HOWARD moved to amend the amendment, by striking out "a select committee," and insert "the Committee on Military Affairs be instructed;" the effect of which would merely be to transfer the duty of investigation from a select to a standing committee of the House. Mr. H. said that his opinion had been more than once expressed that, as a general rule, it was proper to refer all matters which might come before them to some standing committee, whenever the subject was within the range of the duty which the rules of the House enjoined upon that committee to perform. During the last Congress he had moved to reconsider a vote by which a select committee had been ordered, for the purpose of referring the subject to one of the standing committees, and the House had concurred with him in opinion. Whenever no appropriate standing committee could be found, he admitted that it was correct to raise a special one, and if this were such a case, he would not now object to the adoption of this course of proceeding. But, so far was this from being true, that if the House were to direct a special committee to be appointed, its duties would actually conflict with those of the Committee on Military Affairs, as he would presently show. What reason could be given (he asked) why there should be a select committee? Would the effect of such a measure be to impose duties upon members of this House who were not charged already with the execution of others? By no means. The members of a select committee were generally, if not necessarily, taken from other committees, and thus they were compelled either to discharge a double and burdensome duty, or to abstract a portion of their attention from subjects which were important enough to occupy their whole time. During the last winter, the committee of which he had the honor of being a member, had been compelled twice to send for one of their associates, who was attending to the duties of one of the select committees, and, if his memory did not deceive him, one of the subjects upon which they were equally divided was thus prevented from being brought before the House at all. Other committees, he presumed, had experienced similar inconvenience from the same cause.

But, in addition to this, one of the rules of the House would show the propriety of confiding this investigation to the Committee on Military Affairs, as must be manifest upon reading it.

The 72d rule was as follows:

"It shall be the duty of the Committee on Military Affairs to take into consideration all subjects relating to the military establishment and public defence which may be referred to them by the House, and to report their opinion thereupon; and also to report, from time to time, such measures as may contribute to economy and accountability in the said establishment."

It is made their duty, by this rule, to report such measures as may contribute to economy and accountability, without waiting to have the consideration of these topics especially referred to them by the House. Did gentlemen then wish to discharge that committee entirely, or to permit them to look into the best mode of promoting economy except as to that part of the army in Florida, and thus have two committees employed upon the same subjects, except

that one would be occupied with a part of the army, and the other committee with the residue? What confusion must arise from such a proceeding! The resolution before the House proposed to inquire into the causes of the delay and expenditure of the Florida war, and both these duties were specifically provided for by the rule which he had read.

But there was another point in the case. If the proposed investigation should be made by a select committee, how could the House act upon the report, so as to remedy whatever evils there might be, except by referring the report to the Committee on Military Affairs, to frame the necessary bills? The resolution proposed merely a barren inquiry, unproductive of any practical results. If it should be contended that this special committee might report bills also, then the proposition amounted to superseding the standing committee entirely, by vesting another one with all their duties; because such bills could only be prepared after an intimate knowledge of the condition of the whole army.

Mr. H. said that he had read the proceedings of the court which sat at Frederick, and the correspondence between the late Secretary of War and General Clinch, as well as all other papers within his reach, calculated to throw light upon the conduct of the Florida war. He dissented entirely from the opinion expressed by the gentleman from Massachusetts, [Mr. CUSHING,] that it was a disgrace to the country, nor could he understand the metaphysical distinction, that the arms of the country were disgraced, and the officers not. He thought that the causes of failure would be found to resolve themselves into two, viz: the extraordinary physical condition of Florida, as it had been correctly described by the gentleman from Georgia, [Mr. HOLSEY,] and the great distance of the directing power from the theatre of war. In all campaigns, of all nations, failure was almost inevitable, where the head that planned was hundreds of miles distant from the arm that executed those plans. The army in Florida had performed their arduous duty in a manner which was highly creditable to them, and he thought no disgrace had attached to any quarter. But he was entirely willing that the fullest and freest investigation should be made, and nothing was further from his purpose than to screen any officer, civil or military, if he should be found deserving of censure. He trusted that any committee to which it might be the pleasure of the House to send the investigation, would pursue it rigorously and impartially, with no other view than to do justice, whomsoever it might affect.

Mr. MUHLENBERG said, when this resolution was under discussion yesterday, some remarks were made by the gentleman from Virginia on my left, [Mr. WISE,] which he regretted to hear, because he thought they were in bad taste, and reflected but little credit either upon the head or the heart of that gentleman.

The attack made upon an absent gentleman, unable to defend himself, was certainly, to say the least of it, neither just nor generous. It reflects no credit upon any man to insult a fallen foe, or to strike and dirk him when unable to resist. In this light I must view the attack made upon the absent gentleman from Rhode Island. If that gentleman had been present, there would be no cause for complaint, for he is amply competent to defend and take care of himself. He would have given the gentleman from Virginia a Rowland for his Oliver; measure for measure, in every species of attack.

But, sir, I have not risen to reproach the gentleman from Virginia. The goodness of heart with which I know that gentleman to be largely endowed, has, no doubt before now, induced him to regret the hasty and uncalled-for remarks made yesterday. I have risen to correct some misapprehension into which he has fallen. He stated that the clerk of the committee of investigation alluded to, had feigned sickness, in order to gain time for drawing up a report. Sir, the clerk was taken ill shortly after the committee had been organized, and before it had made much progress in its labors; long before a report was thought of, as no one could then say what would be the result of the investigations going on. The testimony of the attending physician, and the evident marks of disease remaining after that person's return to the committee, might have satisfied the gentleman from Virginia that the disease was real, and not feigned. At all events, it could not have been feigned for the purpose stated, because there were at that time no materials for a report.

When the proper time for making a report had arrived, the majority of the committee directed Mr. PEARCE, being the first named of the majority on that committee, to draw up a report for their consideration; and I believe each member of that majority furnished him with his own peculiar views on the subject. I know positively that this was done by myself and some others. The gentleman from Virginia pressed so much and so incessantly for a report from the majority, that it was submitted to the whole committee before the majority had had an opportunity of hearing it read, and passing an opinion thereon. When read in committee, I am free to confess I heard it with no little surprise and regret. I immediately, with a majority of the friends of the administration on the committee, protested against its adoption, and insisted upon its being amended. It was accordingly returned to Mr. PEARCE, to be so changed as to meet the views then expressed. When again presented to the committee, it met with the approbation of the majority, and no complaints were heard from the minority.

Does the gentleman from Virginia recollect that his own report met with a fate similar to that of the majority; that all his colleagues of the minority refused to sign it?

As to the bitter experience of which the gentleman from Virginia complains of having had on the stocked committees of investigation, as he is pleased to call them, I have but little to say. This I will, however, say: that I never before heard him complain of the conduct of that committee, of which he was the chairman; certainly such complaints were never uttered during its sittings. When the committee was about to close its labors, a vote of thanks to the chairman was unanimously passed; and the tear which stood in his eye when he made his acknowledgments, and the apparent good feelings with which the committee finally separated, would seem to tell a different tale.

I regret, that before the gentleman of Virginia had yesterday concluded his remarks, the orders of the day were called, and that I was thus prevented from making this statement immediately. It would not have been made, if, as a member of the committee spoken of, I had not been called upon for it.

Mr. WISE rose in reply. He was happy, indeed, extremely happy, that the honorable gentleman from Pennsylvania, for whom he cherished sincere respect, had had time to sleep one night on what he had heard yesterday, and to come here prepared with thought and word for the occasion this day. By the observations of the honorable gentleman, Mr. WISE was called up, without preparation, but ready, notwithstanding, to reply. And what was the amount of the gentleman's statement? Did it in the least contradict what Mr. W. had said the day before? Unless, indeed, in the immeterial circumstance of the clerk's sickness; that was a collateral question, and of no manner of importance. I challenge contradiction (said Mr. W.) as to the main point; neither you nor your majority could vote for the report as it was read to you; you furnished matter to Mr. Pearce, and Mr. Pearce did not draw up the report. Can you deny it?

Mr. MUHLENBERG. Mr. PEARCE was directed to draw up the report, and I presume he did.

Mr. WISE resumed. I call on my colleague on the com-

mittee from Massachusetts, [Mr. LINCOLN,] to substantiate my statement. Mr. PEARCE did admit to me, I believe he made the same admission to the gentlemen from Massachusetts, I am sure he did to the gentleman from South Carolina, [Mr. CAMPBELL,] that the report was drawn up by Hallet, and he gave that fact as an apology for the enormous falsehoods it contained. I pause to hear the statement of the gentleman from Massachusetts.

Mr. LINCOLN here rose and expressed his regret that he had been called upon as a witness. [What he next said was in so low a voice as to be unintelligible at the reporter's seat; when heard he was understood to say:] In a subsequent conversation Mr. PEARCE admitted that he was not the author of the report; said that he disapproved the language employed, and charged it on the gentleman who had been employed as secretary to the committee. [Here again Mr. L. was for a few moments inaudible.] I do believe whatever of an unpleasant kind had taken place before resulted, in a great degree, from an unfriendly feeling on the part of the agent employed by the committee, and still more from the officious, impertinent, and unpardonable interference of gentlemen not themselves members of the committee, who instigated him to the insertion of what was so offensive. I am bound, in candor, to say that, when the majority of the committee became informed of the language contained in the report, it was as severely reprobated by the gentlemen of the majority as by those of the minority; and the report was in consequence changed; though the degree in which it was altered may perhaps be attributable in part to a distinct intimation that the facts would otherwise be brought into this House.

Mr. WISE. I hope, now, that I am fully corroborated; and I leave it to this House, and to the nation, to say whether my heart or my head is deserving of reproach for stating the truth. It must now be admitted, the gentleman from Pennsylvania himself must admit, that in stating the truth on the authority of Dutee J. Pearce himself, if any offence has been committed against his character, he has been himself the offender. He is my authority for saying that the clerk of the committee did write that report.

And now let me say to the gentleman from Pennsylvania, that I have always entertained the highest respect for his "goodness of heart;" I have known him since his first entrance in this House, and have ever respected him personally; but let me say to that gentleman that, if he shall ever chance to be placed on another committee of investigation, unless he shall do his duty a little better than he did when on that of last Congress—especially unless he shall care to see that a report to which he attaches his signature is his own—I cannot entertain the same degree of respect for his "head."

Mr. MUHLENBERG. I thank the gentleman for his compliments.

Mr. WISE. It is true Hallet was sick; but, mind you, it was not at the time when the materials were collected on which the report was to be founded. He got over his sickness afterward, though his whole appearance plainly told that this his first sickness had not been feigned. He was attended, I think, by Dr. Sewall, and when he returned to the committee the fever blister was on his lip. He was absent for a week or ten days, and, after members had done his duty for him, at length, an assistant clerk (brother to the postmaster of this House) was appointed, at $4 a day, while Hallet was receiving $8. And now I will tell the gentleman from Pennsylvania a fact. After the committee —but I must describe the whole scene. A week before the rising of the committee, I gave notice that I should expect the majority to prepare their report, and have it in readiness; a certain day was appointed on which our labor in committee was to cease; I think that was the Saturday immediately before the adjournment. Well: on the Monday following, I asked whether the report of the majority was ready? The answer was "No." I asked again on Tuesday, (the House was to adjourn on Friday,) and still the answer was "No." It was, I think, on Wednesday morning that the report was at length brought in; but, as it began to be read, the language was found so offensive that my colleague on the committee from South Carolina, [Mr. CAMPBELL,] inquired whether the report was amendable? and a question arose on that point in the committee. After a discussion, it was determined by the majority that the report should be read through, and the objectionable passages marked as we went on. The report was read by Mr. Abijah K. Mann, and Mr. Campbell took his pen for the purpose of making a note of the objectionable passages; but, when he had filled about half a page, he threw down his pen, and soon added to Mr. Mann, "draw black lines round that passage—mark a black line down that margin;" and soon after cried out, "that whole paragraph is offensive." At length, as the reading proceeded, the indignation of the South Carolinian became uncontrollable; he sprang up, and, striking the table with violence, declared, with an oath, (for which, said Mr. W., I was obliged to call him to order, but his vehemence was irresistible,) "I tell you that the man who dares to report that to the House of Representatives LIES: I shall hold him personally responsible to me; and if he refuses to meet me as a gentlemen, I will chastise him wherever I meet him." He then turned to the door of the committee-room, locked it, and put the key in his pocket, and protested that he never would take it out until the offensive portions of that report were expunged. Mr. Pearce then began to make apologies, and—[here Mr. WISE sank his voice so as to be inaudible to the reporter. It is to be regretted that this is often, nay, almost always, the case, in the most emphatic parts of that gentleman's speeches.] The majority did express its dissent strongly. I remember my colleague from Massachusetts [Mr. LINCOLN] rose to his feet and said that, "if lightning had fallen from heaven into the committee-room, he should not have been more astonished than he was at the language of that report; it was nothing but a tissue of falsehood from end to end." "Mr. Pearce," said he, "I cannot believe that you ever wrote that report. I am very sure no member of this committee could have been brazen enough to put such language on paper." The minority then retired, leaving the document in the hands of the majority; and they did cleanse it of much of its falsehood, scurrility, and abuse—leaving it, however, still the report of Hallet. And that fellow had the impudence afterwards to complain that the majority had "quite spoilt his report; that all that was left was milk and water."

I will do the gentleman from Pennsylvania the justice to believe that he did not know that Hallet wrote the report till I mentioned the fact yesterday. Be this, however, remembered, that this report was brought in on Wednesday, and Congress adjourned on Friday following. No debate was had on the report of the committee.

[Here again Mr. WISE's voice fell.] A Rowland for an Oliver! Afraid of Dutee J. Pearce! Why no human being, nor any other being in creation but a worm, could fear him. Afraid of him in a moral point of view I well might be; afraid of him in a committee-room I might be; but it would be only as an assassin or a thief. And as to him, he fears nothing—but a horsewhip. [Mr. W. said more, but part of his words were not distinctly heard.]

The facts I have stated I stated in the presence of the gentleman from Massachusetts, who witnessed them with me. He has corroborated my statement; and I therefore assume these facts as granted; they are not to be denied.

But so vast was the number of subjects submitted to the committee, so herculean was the task through which it had to labor, that the minority had not even time to consult on the form of their report until Saturday evening, for we often had to work on in the night. I then read to the gen-

tleman from Massachusetts only a portion of the report I had drawn up, which related to the letter of the President. We had no opportunity to compare views, to consult about language, or agree even on an arrangement of subjects. Owing to this state of things, the minority had no opportunity to compare my report with the testimony, to judge of its fidelity; and I therefore considered them as perfectly justifiable in declining to sign it. But they drew up a general report, in which all the minority concurred perfectly.

Let me, therefore, tell the gentleman from Pennsylvania that my report never was read in the committee at all—never. I took Mr. Mann aside, and showed him the part which related to him personally. No portion of it ever was stricken out. There was language in some parts of it which, I dare say, some gentlemen who were of different temperament from myself would condemn: but at least I did not present as mine what was the work of another. Every line, every letter of it was my own. To the crossing of a *t* or the dotting of an *i*, it was my own—worthy or unworthy. I do full justice to my colleagues from South Carolina and from Massachusetts; they did their duty as far as they could, but they were also members of other committees of the House. I could not expect them to sign blindly a report they had never read. How many of the majority, perfectly blindfolded, signed [here Mr. W. was not heard: he spoke with extreme emphasis of gesture, but in tones so low that not one-half the House could distinctly hear him.] I hope I have now done, forever, with this subject * * * As to what Hallet may say or publish I care not a *bawbee*. I understand he made a violent attack on me the last summer; but I care nothing for the Billingsgate of such beings as Hallet or Dutee J. Pearce.

I will now say a few words to the gentleman from Maryland, [Mr. HOWARD.] He wishes this subject referred to the Military Committee. Why, sir, can he ask this? I call the gentleman to the list of the members of that committee. The gentleman from North Carolina [Mr. McKAY] is at the head of it: and of the whole nine members, but *one* opposition man is to be found. In the two committees of investigation, you had six to three; but *eight* to *one!* that is rather too bad. I care not much, however, whether this matter takes one form or the other. If the committee is not to be appointed by ballot, and if the necessary time is not to be given, it is little matter where the inquiry is sent. Nay, if it is to be a committee who do not desire a thorough investigation of the matter, it would be better to have none at all. Such committes are only shields for the administration. I know the risk I am running in bringing forward this resolution; but I feel a sense of duty in the matter which I cannot resist. I ask the House to appoint the committee by ballot: can there be any valid objection?

I will modify my resolution by striking out the word "enormous" before "expenditures," because it seems to imply censure in advance.

If the gentleman from Maryland has read all the records of the courts-martial, and still cannot tell where the blame ought to be laid, we will give him data to make up an opinion; and the same data will answer for the whole country. I appeal to him not to seek to stifle investigation. I should indeed suppose that the administration had been taught, by this time, not to resist the calls of the people for light. All I ask in justice to the administration, to the opposition, to the President, and the army, is light. Give us the light of Heaven on your deeds, that the country may know and weigh them. If you can bear a ray, and come out clear, then you may boldly stand up and say our acts are known, they have stood the touchstone, they are registered with the people. When a full investigation shall have been had, if the people shall say that I have complained without reason, I am ready to fall down flat at their feet; and when I see the institutions of my country die and perish, I will say to my soul, "the people have so willed it."*

Mr. GLASCOCK regretted exceedingly the unpleasant feeling which seemed to exist on this subject, and that a discussion should be got up which was entirely irrelevant to the subject before the House. The House had nothing to do with the controversy which had been going on, and he hoped we would hear no more of it. So far as he was concerned, he was disposed to go heart and hand for this investigation, and he believed there was no friend of the administration who had expressed a disposition to evade the inquiry. All were desirous that it should be had. The whole country was looking anxiously forward to the time when the matter would be inquired into. If there was any individual in this House, or out of it, who had raised his voice against the raising of this committee, he had not heard it. There had, to be sure, been objection made to the mode of appointment, and this he himself objected to. His object was that the committee should be so constituted that all the officers, and all the parties interested in the issue, should have full and complete justice done them; and to effect this, he had come to the conclusion that the committee ought to be appointed, as all other committees are appointed in this House, by the Chair. This would be throwing the responsibility where it belongs, because in a matter of so much importance to the country, the Speaker would appoint such a committee as would do the subject ample and complete justice. The gentleman had proposed to appoint the committee by ballot. His objection to this was, that the interests of all those concerned in the campaign could not be so well guarded. The committee might be prejudiced against one, and in favor of another; but if the Speaker appointed the committee, he would take this into consideration, and see that each would have his friends on the committee, so that all might have justice done them. If they were elected, there would be a majority of one party or the other on the committee, and the objection on political grounds would be the same. He would go for the appointment of the committee by the Chair; and if he appointed such committee as would do injustice to the investigation, he confessed that he should entertain a different feeling towards the Speaker from that which he now entertained. That the committee should be so made up as to have a majority of the party in power on it, was according to all parliamentary usage; but that was no evidence that they would not do justice to the subject referred to them. If the committee were to be elected, how should the election take place? Were they to be elected by a majority or a plurality? And when they were elected, the same objection might be raised to them on political grounds, as one party or the other must be in the majority. It appeared to him that it ought to be the desire and the wish of all, that every gentleman concerned in the campaign should have his interests represented on the committee, and this could only be effected by appointing it in the usual way. He had no political views to gratify, and only desired that the people of the country might be placed in possession of all the facts in relation to this matter.

Without taking the question, the House, on motion of Mr. CAMBRELENG, proceeded to the orders of the day; and on motion of the same gentleman, went into Committee of the Whole on the state of the Union, Mr. HAYNES in the chair, and resumed the consideration of

THE FOURTH INSTALMENT BILL.

The question pending was on the amendment of Mr. PICKENS to strike from the bill the indefinite clause "till further provision by law," and insert "the first day of January, 1839."

Mr. LOOMIS, of Ohio, addressed the committee to the following effect:

Mr. Chairman: Believing that the faith of the United States and the interests of the State which I have the honor to represent in part, are deeply concerned in the fate of the measure now under discussion, I have felt it my duty to ask the indulgence of the committee whilst I present the views and considerations which will influence my action upon that measure. It is no part of my present purpose, sir, to discuss either the policy or propriety of the enactment which proffered to the States the custody and safe-keeping of the anticipated accumulations of the Treasury. Suffice it to say, that that policy having, after full and ample discussion, after grave and mature deliberation, received the constitutional sanction of all the departments of the Government requisite to its legal obligation, I am not only disposed, but feel myself in the discharge of my legislative duty bound, so far as my vote and my voice can have an influence, to fulfil all the requirements, and to satisfy all the just expectations which that enactment has excited.

It is not, sir, in my judgment, material to determine whether the States have, or have not, in strict legal, technical language, a vested right to the fourth instalment, contemplated by the deposite act. So far as relates to the three first instalments which have been deposited with them, I entertain no doubt that they have acquired vested rights and valuable interests, entitled to legal and constitutional protection. The States have a perfect right to the custody and benefit of those instalments, until recalled under the restrictions and in pursuance of the provisions of the statute. And I hold, sir, that the Government could not, in any emergency, or under the pressure or necessities of any combination of circumstances, accelerate their recall beyond the limitations of the deposite act. And I think, sir, that a critical analysis of the stipulations of that statute, and a careful collation and examination of the acts of the States and the executive departments, in pursuance and fulfilment of its provisions, will exhibit all the elements and requisites of a legal, valid, and binding contract. They would disclose full, adequate, and mutual considerations, and clear and distinct agreements between parties competent and willing to contract. I am aware, sir, that views and opinions variant from these have been entertained and expressed upon this floor. It has been denied that any certain sum has been appropriated by the deposite law: it has been affirmed that, although limitations upon the power of recall have been imposed upon the Secretary of the Treasury, none have been imposed upon Congress. It has been claimed that Congress now possesses the power and right to recall, at pleasure, the funds deposited with the States: it has been denied that the States had a right to appropriate and use the funds which have been deposited with them. I hold, sir, and believe that I can maintain the converse of all these propositions. The thirteenth section of the "Act to regulate the deposites of the public money," provides "that the money which shall be in the Treasury of the United States on the first day of January, eighteen hundred and thirty-seven, reserving the sum of five millions of dollars, shall be deposited with such of the several States, in proportion to their respective representations in the Senate and House of Representatives of the United States, as shall by law authorize their Treasurers or other competent authorities to receive the same, on the terms hereinafter specified; and the Secretary of the Treasury shall deliver the same to such Treasurers or other competent authorities, on receiving certificates of deposite therefor, signed by such competent authorities in such form as may be prescribed by the Secretary aforesaid, which certificates shall express the usual and legal obligations, and pledge the faith of the States receiving the same to pay the said moneys, and every part thereof, from time to time, whenever the same shall be required by the Seretary of the Treasury, for the purpose of defraying any wants of the public Treasury, beyond the amount of the five millions aforesaid: *Provided*, That if any State declines to receive its proportion of the surplus aforesaid on the terms before named, the same shall be deposited with the other States agreeing to accept the same on deposite, in the proportion aforesaid: *And provided further*, That when said money, or any part thereof, shall be wanted by the said Secretary to meet appropriations by law, the same shall be called for in ratable proportions, within one year, as nearly as conveniently may be, from the different States with which the same is deposited, and shall not be called for in sums exceeding ten thousand dollars from any one State, in any one month, without previous notice of thirty days for every additional sum of twenty thousand dollars, which may at any time be required."

The fourteenth section provides "that the said deposites shall be made with the said States" on the first day of January, eighteen hundred and thirty seven, or as soon thereafter as may be, and on the first days of April, July, and October, all of the same year. I find, sir, that this act received the Executive approbation on the twenty-third day of June, eighteen hundred and thirty-six. It is true that it did not provide for the deposite with the States of a sum certain then in the Treasury, but it did provide for the deposite of moneys which would be in the Treasury on a given future day, and the precise amount of which could be ascertained with mathematical certainty. It required that all the money which should be in the Treasury on the first day of January, eighteen hundred and thirty-seven, reserving the sum of five millions of dollars, should be deposited with the States. All moneys or funds, whether in the safe of the Treasurer of the United States, in the vaults of the mint or custom-houses, in the hands of receivers for the sale of public lands, or in the possession of deposite banks, and passed to the credit of the Treasurer of the United States, on that day belonging to the Government of the United States, were within the meaning and contemplation of that statute, in the Treasury, and subject to deposite, first reserving the five millions of dollars. The Secretary of the Treasury so understood the law, and proceeded to execute its directions upon that construction of its terms and spirit. He did ascertain the aggregate amount in the Treasury (after the reservation required by the act) on that day, and promulgated to Congress and the States the aggregate amount, and also the precise sum which, under the provisions of the act, was subject to deposite with each of the States. The sum subject to deposite has been ascertained with exact certainty by our own officer charged with the execution of the duties and trusts created by our own legislative act, and promulgated with official sanction to the States and to the world. And surely it is not now competent for us, who represent here the United States, to evade or avoid a compliance with a contract which we have made with the respective individual States, by a denial that a certain sum has been appropriated. By whom was this deposite to be made? Congress could act only through the instrumentality of an agent; the Secretary of the Treasury, the chief fiscal officer of the Government, was very naturally and with great propriety designated as such agent, charged with the duty, and clothed with full power to execute the act. The Government is bound, or rather the United States are bound, by all the acts which he has performed in the execution of these trusts within the scope of his authority. He has communicated to the several States the propositions of the United States; the several States have respectively accepted those propositions, and he, as our agent, has proceeded to a partial execution of the contract on our part, by payment or deposite of three out of four of the instalments. The law required of him, before delivery of the money to the Treasurers or other competent authorities of the States,

to receive from such Treasurers or other competent authorities certificates signed by them, expressing the usual and legal obligations and pledge of the faith of the States for the safe keeping of the moneys, and for the repayment thereof, agreeably to the provisions of the statute. Those certificates contain the evidence and the only evidence of the undertakings of the States; their obligations and responsibilities cannot be extended beyond their terms and spirit, and they require the repayment of the deposites agreeably with the restrictions and limitations imposed upon the calls of the Secretary of the Treasury, and not according to the will and pleasure of Congress. The limitations upon the authority of the Secretary of the Treasury, in calling upon the States for repayment, are clear and distinct; he can only call when the funds are required for the purpose of defraying the wants of the public Treasury, after the five millions reserved are exhausted. He cannot call at his own will and pleasure; he can only call when the funds are required to defray the wants of the Treasury, or, in other words, in discharge of legal appropriations. Again, sir, the last proviso of the thirteenth section before quoted, contains superadded limitations upon the authority of the Secretary of the Treasury in recalling the funds deposited with the States; the money must be "wanted to meet appropriations by law;" it must be called for in ratable proportions, as nearly as may be, from the different States, in sums not exceeding ten thousand dollars from any State, in any one month, without previous notice of thirty days for every additional sum of twenty thousand dollars. These limitations enter into and circumscribe the legal effect and obligation of the certificates given by the States, and are restrictive of the power and authority of the United States in recalling the funds deposited with the States. Congress has reserved no right to interpose or accelerate the recall, nor have the States consented to the exercise of such right.

Suppose, sir, that Congress should enact a statute (I could not denominate such a statute a law) directing the Secretay of the Treasury to demand repayment of all the moneys deposited with the States, and, upon a refusal on the part of the State of Ohio, to comply with his request, he should institute an action (conceding to some judicial tribunal jurisdiction) to recover the two millions deposited with her; suppose, sir, the certificates, which contain the evidence of her undertaking and indebtedness to the United States to be given in evidence, and the provisions of the deposite act to be examined, would such judicial tribunal hesitate to pronounce the law of the case with the defendant?

It has been denied that the States had a right to use or appropriate the funds deposited with them. That, sir, depends upon the character of the deposite, whether general or special.

[Mr. PICKENS explained. He had said that there was nothing specified in the act providing that the States should have the use of the money, or that made it a general deposite.]

I am aware, sir, that it is not declared to be a general deposite, but where there is no restriction the deposite is general. The responsibility which a general deposite imposes upon the party receiving the deposite, and the rights which he acquires, are entirely different from the responsibility imposed and the rights acquired by a special deposite. A general deposite imposes upon the party receiving it the liability to refund at all events the amount of money deposited, when demanded in pursuance of the terms of the deposite, and vests in him a right to dispose, at pleasure, of the moneys deposited. A special deposite vests no right to the use of the funds, nor does it impose a liability to return them if proper care has been taken for their safe-keeping, and they are lost or destroyed. If, for instance, the Treasurer of the State of Ohio had received from the Secretary of the Treasury $500,000 in bank paper, and given the certificate required by the provisions of the deposite act, and by a conflagration of the State Treasury the paper had been consumed, can there be a doubt that the State would have been bound to repay to the United States the full amount? Certainly not, as the property in the funds vested in the State as soon as they were deposited. The States have all received the deposites upon the distinct understanding that they had a right to the use of these funds, and have all made such disposition of them as was deemed proper.

The deposite act offered to the States the custody of one entire sum of money; that sum was ascertained by the Secretary of the Treasury, and proclaimed to the States. The proposition was made to the States to receive the whole sum, upon the terms specified in the statute; the States respectively accepted the proposition to receive the whole, not a part—the four instalments, not one only. The States had a right to regard it, and did regard and accept it, as one entire and indivisible contract—as a "unit"—and to regard the national faith as pledged for the performance of the contract on the part of the United States. I am aware, sir, that there is no mode by which the several States can enforce this contract against the United States. There is no judicial tribunal possessing jurisdiction over these sovereign parties, or capable of affording an adequate or effectual remedy. The United States are above the reach of coercion, and there is nothing upon which the stipulations of the contract can be operative but the national faith, honor, and justice. And shall it be said, sir, that a party which has exacted from another a specific written pledge of faith shall violate its own? Shall it be proclaimed to the world that a sovereign power enjoying the high character and possessing the immense resources of this nation, has permitted its justice to be questioned, by refusing a compliance with its contracts, or disappointing the just expectations which it has excited? Never, sir, with the aid of my vote. The States, sir, have acted in good faith, and made their respective dispositions of these funds, which they have agreed to receive in deposite, with a confident expectation of receiving the full amount. The funds were declared to be in the Treasury by the Secretary, and the deposite act expressly provided that the funds so in the Treasury should be deposited with the States. No man anticipated a diversion of these funds to other purposes than those to which they had been specifically appropriated and selemnly pledged. If, sir, they shall be withheld, just expectations will be disappointed, and great and serious inconveniences will be suffered by the States.

The State of Ohio stands in a peculiar and interesting relation to this measure, which, with the indulgence of this committee, I will proceed to explain.

The patriotic framers of the constitution of that State were deeply imbued with the spirit of liberty, and an anxious desire to secure, upon stable foundations, its future prosperity. The provisions of that great charter of freedom, under whose benign influence and salutary protection the State has risen to wealth, power, and eminence, exhibit abundant evidences of that spirit and desire.

After a solemn declaration that all men have a natural and indefeasible right to worship Almighty God according to the dictates of their own consciences; that no human authority can interfere with the rights of conscience; that no preference should ever be given by law to any religious society or mode of worship, and that no religious test should ever be required as a qualification to any office of trust or profit, I find this remarkable declaration and constitutional injunction: "Religion, morality, and knowledge, being essentially necessary to the government and happiness of mankind, schools and the means of instruction shall forever be encouraged by legislative provision, not inconsist-

ent with the right of conscience." This provision, impressed by the superadded sanction and obligation of an oath, imposed upon her legislators in all future time the duty to encourage schools and the means of instruction by legislative enactments, so far as a just regard to the condition and resources of the State would permit. They were justly viewed by the enlightened founders of our Government as the main pillars and only sure support of our free institutions, as safeguards of liberty, and beacon lights to warn us of the approaches of danger.

But, sir, many circumstances connected with the history and condition of the State retarded and prevented compliance with this constitutional requisition. The hardy pioneers had reclaimed from the forest but a small portion of that fertile country, at the adoption of the constitution. Population was sparse, and resources few. Immense forests were to be subdued, roads opened, buildings erected, bridges constructed, the means of subsistence procured, families reared, and Government supported. During the first ten years of our existence as a State, these duties and pursuits occupied the time and employed the means of our enterprising population. Then succeeded the calamities of war, our northern frontier exposed to daily descents from a superior naval force upon the lakes, and our western borders overrun by hordes of ferocious savages. The scenes of that eventful contest are well known here, and will be long remembered in the West. It was with us, sir, a struggle for existence and self-preservation, and permitted not a diversion of our resources to the purposes of education and mental improvement. The revulsions and distresses which followed the restoration of peace are indelibly written upon the pages of our history. The wars of Europe ceased, and her immense armies were no longer the consumers of our productions. Commerce, agriculture, manufactures, and every other department of industry and enterprise were paralyzed; credit was prostrate, and labor could neither find employment nor reward. It required, sir, the lapse of years to restore credit, repair losses, provide capital, reanimate enterprise, and reward industry. At length the approaching completion of the great Northern improvement promised a market for our productions. Ohio awoke from her slumbers, and aroused her energies. She resolved to develop her resources, and improve her condition. With but thirty thousand dollars in her Treasury, and with no sources of revenue but the fertility of her soil, and the industry of her citizens, she pledged her faith, and boldly went into the market for the millions requisite to complete a connexion between the lakes and the Ohio. She appealed with success to the intelligence, sagacity, and interests, of the capitalists of the great commercial emporium of New York. The commencement of her great work was speedily followed by an influx of capital and population, by a rapid development of her great natural resources, by vigorous activity and productive energy in all the branches of industry. Through the agency, sir, of credit, that much-abused source of national and individual prosperity and improvement, her legislators soon found the State in a condition to fulfil the constitutional requisition which I have brought to the notice of the committee. In a statute, enacted, I think, in 1827, the preamble of which recited the constitutional command which I have read, the Legislature of that State laid the foundation of a system of public instruction. The power of taxation, of direct taxation of the people, was boldly exercised to carry into execution the system. It encountered many prejudices and much opposition, but perseverance improved legislation, and experience overcame them.

The system was organized, and with much labor and great care improved. To the revenues derived from taxation were added the proceeds of the public lands appropriated by Congress to the great purposes of education. The system thus organized and improved promised great advantages, but it required enlarged resources and augmented revenues to carry into full, complete, and perfect effect the great and laudable purposes of its creation. At this auspicious juncture the national revenues accumulated beyond the wants of the Government. The custody and safe-keeping were wisely proffered to the States. The proportion of Ohio amounted to nearly three millions of dollars. Her enlightened statesmen and patriotic citizens beheld in this proffered treasure the abundant means of perfecting and sustaining her great system of instruction. Upon the assembling of the Legislature in December last, her patriotic Executive, Governor Lucas, called the attention of the Legislature to the propositions of Congress, advised their acceptance, and, in a luminous and patriotic view of the whole subject, strongly recommended liberal and munificent appropriations to the purposes of education. His views and recommendations were seconded and strongly enforced by his patriotic successor, Governor Vance, in his inaugural address. The public voice sustained their appeal. Her Legislature accepted the proposition of Congress, and pledged her faith for the safe-keeping and repayment, if called for, of the proffered funds, and, in discharge of their constitutional obligations, appropriated the proceeds of the fund to her great system of instruction. Sir, Ohio has a deep and vital interest in preserving this fund entire. If preserved, and wisely applied, it will afford to her sons and daughters, through successive generations, accumulating means of moral and intellectual cultivation.

But, sir, this bill, deceptive in its professed objects and ostensible designs, will, as I believe, forever withhold from us nearly seven hundred thousand dollars. It is calculated, if not designed, to effect, covertly, purposes which could not be attained if openly avowed. Who does not perceive that postponing "till further provision by law" the fourth instalment is equivalent to a repeal of the deposite act? If this bill pass, further legislation must precede further payment. The united concurrence of the legislative departments must be obtained. Discordant views, conflicting interests, and rival appropriations, will render such concurrence improbable, if not impracticable. But, sir, I warn gentlemen that there is a fatal danger beyond the legislative branches of the Government. There exists in the Executive a power that will be interposed between the declared will of the Representatives of the people and the accomplishment of that will. Sir, I may be told that no danger need now be apprehended from that source; that the political Samson who once wielded that terrific power, to the dismay and destruction of so many interests, has been shorn of his locks; that that extraordinary man, who could at pleasure subvert and destroy, without prejudice or injury to himself, is now beyond the lofty mountains of the West, in the quiet retreats of the Hermitage. Sir, though distant, he is not dead; though in retirement, he still mingles in political strife. Like the superannuated and dismissed war-horse, he still delights to rush, at the sound of the trumpet, unbidden into the conflict. Though his voice does not now resound in the commanding tones that once reverberated through the saloons and precincts of the palace, it is still heard amid the legions of power, and his influence is yet felt in the supreme executive action of this Government. But, sir, I may be told that no danger is to be apprehended from the exercise of the veto by his successor; that he is mild, peaceful, and timid, partaking more of the qualities of the subtle and sagacious reynard than of the bold and fearless monarch of the forest. Sir, I breathed my natal air in the State in which he was reared; I know something of his history, and have some knowledge of that extraordinary political party which has so long controlled the destinies of the Empire State, which brought him into power, and of which he was the moving spirit, the leader and idol. Though that party may have acquired much

of its power and influence by sagacity and political intrigues, yet I challenge the history of the world to exhibit a party that, in emergencies, was more prompt, bold, fearless, and daring, than the republican party of New York. The celebrated seventeen set at defiance and trampled upon public sentiment and the rights of the people, and yet, sir, strange and paradoxical as it may appear, were afterwards triumphantly sustained by public opinion, modified, wielded, and controlled by the sagacious influence of the party. Sir, I have a vivid recollection of a scene which occurred in another part of this Capitol during the panic session of 1834. Day after day opposition Senators pressed the supporters of the administration to disclose their views, and the course of policy which they intended to adopt, whether they would create or oppose a national bank, till, at length, one of the leaders of that party rose, cool, calm, and collected, disclaiming all authority to speak for the administration, and, planting himself upon professed constitutional scruples, proclaimed undying hostility towards any national bank. Sir, from that moment the united energies of the Government and the party were arrayed against the revival of the old, or the establishment of a new national institution. The contest was yielded by the opposition, and the bank surrendered to its fate.

Soon afterwards trepidation and alarm reached the Empire State. Her credit system was in danger—confidence was impaired. Her connexion of affiliated banks was in imminent peril. Appearances indicated the rapid approach of some great convulsion, some dreaded calamity. But, sir, the energy and boldness of the party saved them from the catastrophe. The bold design was conceived and communicated to the Legislature, with the sanction of Executive recommendation, of pledging the faith and resources of the State for six millions of dollars, principally to sustain the credit of the banks, then the pampered favorites, but now the prostrate victims of the party. Without consultation with the people, whose faith and resources were pledged, the proposition soon received the sanction of legislative approbation. The panic ceased, confidence was restored, prosperity succeeded, and the party reaped a rich harvest of popular favor. The leader of this party, sir, was never friendly to the policy of the deposite law. His predecessor yielded to it a reluctant and constrained approbation, and his prejudices against it are abundantly manifest in his letter to Sherrod Williams, and in various recent Executive emanations. His boldness has been put to the test. That most extraordinary exercise of Executive power called the Treasury Circular awakened throughout the country a strong spirit of dissatisfaction. The voice of popular condemnation approached unanimity in one branch of the Legislature, and greatly preponderated in the other. But, sir, the Executive, instead of returning the bill repealing the Treasury Circular to the constitutional action of Congress, under the extraordinary pretence that neither he nor the chief law officer of the Government could comprehend its import, deposited it in the State Department as a memorial of the last triumph of Executive power over the popular will. It was believed that the present Executive would yield to the strong indications of popular sentiment; that he dare not refuse to revoke the obnoxious order. But, sir, what was the result? The dissatisfaction of the country increased; commercial embarrassment and distress, aggravated by the existence and operation of that obnoxious Executive measure, threatened the country with the most serious disasters. The commercial interests of New York, trembling upon the brink of ruin, petitioned, entreated, and implored the Executive to rescind the order, and to assemble the representatives of the people. But, sir, they petitioned, entreated, and implored in vain. The Executive, sir, gave a prompt, stern, and decided refusal. And let it not be said, or credited, that he will fear or hesitate to veto any bill that does not meet with his approbation. But, sir, there was one occasion, one memorable occasion, when he yielded to the influence of trepidation and alarm. Yes, sir, when that tremendous revulsion, which swept like a tornado through the land, overtook in its fearful course him and the Government, then, sir, he turned his anxious eyes to the representatives of the people, and bade them come up to his deliverance. Then, sir, with imploring looks he said to his faithful Commons, "Help me, Cassius, or I sink." But, sir, he has recovered from his panic: he has surveyed his position, calculated his chances, and taken his course. We have had abundant evidence of his courage, and of his reckless determination. He has sent to us, assembled to receive a communication of the grave and weighty matters referred to in his proclamation, the most bold, novel, and extraordinary message ever communicated to Congress. Has he proposed, sir, any great and salutary measures for the permanent relief and prosperity of the country? None, sir, none. The Government is the great object of his solicitude. He has, sir, very plainly intimated that the people were created for the Government, and not the Government for the people. He has proposed, sir, to divorce the interest and destiny of the one from the interest and destiny of the other. He has kindly proposed to take for the Government the constitutional currency, and leave for the people their paper—their sufferings. He has, sir, disclaimed the power, and denied the duty of the Government to afford relief. It would seem, sir, from his theory, that a Government omnipotent in producing evil is powerless in doing good.

Sir, that extraordinary message has gone forth to the country, spreading in its course distrust and terror and alarm. But it has awakened a spirit among the people that will not slumber until their insulted rights shall have been vindicated. The popular responses to the doctrines of that remarkable message have returned from the confines of the republic to this hall, in tones which cannot be misunderstood. And, sir, if the "recent demonstrations of public sentiment" have not already directed the eyes of the Executive to the hand-writing on the walls of the palace, an adherence to his present policy will soon exhibit to his astonished vision his inevitable destiny. Sir, if this bill pass, the fourth instalment is forever lost to the States. The Government desires the funds, and the Executive veto will preserve them for its use. What necessity is shown for its passage? Is it even certain that there will be a deficit of funds in the event of its failure? There was a time, sir, when the true state of the Treasury was accessible to the comprehension of all. An early law of Congress made it the duty of the Secretary of the Treasury to communicate periodically to that body, and through them to the people, the state of the finances; to exhibit to the nation the receipts, disbursements, and existing condition of the Treasury. The reports of the enlightened men who filled that station during the early history of the Government subserved the purposes for which they were required. They presented to the people a plain, simple, and lucid exposition of the operations and condition of the Treasury, easily comprehended by the most ordinary capacity. But now, after fifty years' experience in the affairs of Government, in an age of unexampled light, intelligence, and improvement, we are told, upon this floor, that it has become a matter of "science," yes, sir, of deep and profound science, to comprehend the report of our Secretary of the Treasury! It requires the twenty years of incessant toil that qualified the English lawyer for the practice of his profession, to unveil the mysteries of a Treasury report. And, sir, this memorable declaration comes from a gentleman (Mr. CAMBRELENG, chairman of the Committee of Ways and Means) of commanding influence and distinguished talents, whose official station places him in intimate and confidential communication with the Treasury, and

who after sixteen long years of public service, with all his light, intelligence, and advantages, when placed upon the Executive tripod of this House, though inflated with the inspiration and trembling with the agitation of the Pythian priestess, can give but an oracular response to the interrogatories of those who seek intelligence at his shrine.

Instead, sir, of those clear, satisfactory, official expositions of the state of the finances, that silenced doubt and forbade discussion, we now behold, on every side, those sybilline leaves [alluding to the various calculations presented by members to explain the state of the Treasury] that have been for days scattered through this hall, claiming credit, and, as I believe, deriving negotiability from the endorsement of the Secretary of the Treasury! Must we be required to thread such labyrinths and fathom such depths! Sir, were we to leap into such an abyss of darkness, I fear that we should have just and early cause to exclaim, with the "Mantuan bard,"

Facilis descensus Averni, sed revocare gradum,
Hic labor, hoc opus est. *

But, sir, suppose that the Government has not sufficient means now available to pay the fourth instalment to the States, cannot those means be procured? Is it necessary for the United States to break their contract or violate their faith? Are not the millions due from the deposite banks, and the bonds of the Bank of the United States, which can be converted into available means at pleasure, abundantly sufficient to meet, in a manner acceptable to the States, the payment of that instalment? And, were they insufficient, are not the credit and resources of the United States adequate to the exigency? Sir, their credit will command at pleasure, at home or abroad, all the funds requisite to meet any emergency; and their resources, the cotton fields of the South, the grazing and grain-growing regions of the West, the manufactures of the East and North, the products of the forest and the ocean, our navigation and commerce, our public domain, our national industry and enterprise, will afford abundant means of payment. Sir, the Empire State pledged her faith and the resources of her citizens for six millions, to preserve her credit system and sustain her banks. Shall the United States hesitate to pledge theirs to fulfil their contracts and preserve their honor!

Sir, in opposing this bill I disclaim all desire or intention of thereby throwing obstacles in the way of the administration. I am ready and willing to give my vote for procuring all the funds necessary to the beneficial administration of the Government, to give relief so far as we can to the Government and the country. I am prepared and disposed, sir, to sustain all the recommendations and measures of the Government that I can consistently with my conviction of public duty. I have no political aims or purposes to subserve; I stand not here to war with the men who compose this administration, but to sustain all measures, come from what source they may, which shall, in my judgment, conduce to the promotion of the public interest, and to oppose those of an opposite tendency firmly and fearlessly.

Sir, I should rejoice if our delegation could present an unbroken front against withholding this instalment from the cherished policy of Ohio; if they could raise a united voice in behalf of the great interests of that generous State which has warmed and cherished, honored and distinguished us, by sending us here, the representatives of her power and the advocates of her interests; of that State in which are concentrated all our interests, all our affections, and all our hopes; which contains our wives, our children, our dwellings, and our altars. Sir, I advocate on this occasion not merely the present interests of the citizens of Ohio, but the prospective interests of the unborn millions which shall, in coming generations, be spread over her fertile surface; of the poor, the orphan, and the destitute. I seek to ameliorate and improve their condition; to elevate their hopes, their character, and destiny. I desire that the great edifice of education and intelligence should be reared upon enlarged and stable foundations; and, sir, with the liberal and abundant means which are justly due to us, it will arise broad in its dimensions, perfect in its proportions, and durable in its structure. And I fondly hope, sir, that, bidding defiance to the assaults of time and the shock of revolutions, it may endure to the last ages of this glorious Republic, a proud and abiding monument of the wisdom of its projectors and the faithful care of its builders.

When Mr. Loomis had taken his seat,

Mr. JONES, of Virginia, addressed the Chair as follows:

Mr. Chairman: In submitting for the consideration of the committee the views which I propose to present, it is not my intention to enter upon the wide field of discussion to which the remarks of other gentlemen would seem to invite me, but to confine myself to the subject intended to be embraced by the bill now under consideration. This I propose to do because the very wide range of debate, which has been indulged in by honorable members who have preceded me, seems to have for its object the investigation of subjects which appear to me to have no connexion whatever with the one now under consideration, and is not, therefore, likely to aid in the accomplishment of the great object which I have in view; which is to ascertain the real condition of the finances of the Government, and thus to put it in the power of the representatives of the people, understandingly, to act upon the very important and delicate subject which has for several days called forth the most anxious deliberation of Congress. This bill has for its object, at present, to withhold from the States the fourth instalment of the surplus revenue, which was directed by the deposite act of the 23d of June, 1836, to be passed over to the States to be held by them on deposite, upon the terms and conditions specified in that act. And the question arises, whether the existing state of things, in reference to the financial condition of the Treasury, renders such a measure necessary on the part of the Government; and, if necessary, whether Congress can rightfully exercise the power to control that instalment in the way proposed by the bill. And, with a view to a correct understanding of the subject in all its bearings, it may not be amiss now very briefly to advert to the condition of the Treasury at the time of the passage of the deposite act, and to what was likely to be its condition at the close of the present year.

In the month of June, 1836, it had been distinctly ascertained that, at the close of that year, there would be in the Treasury near forty millions of dollars of surplus revenue over and above what would be required for the legitimate wants of the Government; and the accruing revenue, for the present year, was regarded by all as abundently sufficient to meet every demand upon the Treasury down to the close of the year.

This surplus, it would be recollected, had not been produced by legislation which had for its object the accumulation of so large an amount, but by causes which have had their due influence in bringing about that general state of embarrassment which it has been alleged now extended itself over the whole country. Into an examination of these causes it is not my intention now to enter. But it is notorious, that in the face of predictions again and again sent forth to the world from this Capitol, that we should have an empty Treasury and a bankrupt Government, at the time referred to nearly forty millions of dollars of surplus had accumulated in the Treasury in the form of revenue! There it was: and the question was, what was to be done with it? To permit it to remain in the deposite banks was not only to hazard the loss of a very large por-

* The descent to Avernus is easy, but the return difficult and laborious.

tion of it, but the banks, using it as so much banking capital on which to extend their issues, loans, and discounts, were, by means of these issues, loans, and discounts, receiving from it the most inordinate profits, to be divided among the stockholders; and, at the same time, swelling the flood of depreciated paper money with which the country has been deluged; and thus contributing, as much perhaps as any other single cause, to produce that wide spread embarrassment which has swept over the whole land. It was not, therefore, either safe or prudent to permit it to remain on deposite with the banks.

To loan it to the States, was to place it beyond the reach and control of the General Government, to which it rightfully belonged; since the constitution has, in my opinion, wisely omitted to provide any tribunal at whose bar one of the sovereign States of this Union can be arraigned to answer for an alleged violation of its contract with the General Government; and to give it to the States was at once to establish a precedent fraught alike with mischief and with danger. These are some of the difficulties, on every hand presenting themselves, when it became the duty of Congress to act upon the subject of the surplus revenue. It was in view of these difficulties that the deposite act of June, 1836, had received the sanction of Congress. That act merely provided for the deposite of the surplus revenue with the States, without interest; thus giving to the States the use of the money without charge, until the necessities of the General Government should render necessary its return, either in part or in whole; and for its punctual return, whenever the necessity should arise, that the faith of the States should be solemnly pledged.

We have, then, Mr. Chairman, the question presented, whether the existing state of things, in reference to the financial condition of the Treasury, renders it necessary to withhold the fourth instalment in the way proposed by the bill now under consideration.

I am aware, sir, that the examination of this branch of the subject renders necessary a resort to details which will probably be uninteresting to the committee; but the subject is complex in its nature, so much so, that we have heard it again and again repeated by gentlemen in debate, that such was the confusion and obscurity thrown over it by the report of the Secretary of the Treasury that they could find no data leading to conclusions which enabled them to determine in their own minds what would be the actual condition of the Treasury at the close of the present year. As a member of the committee from which this bill has been reported, it became my duty to give to the report of the Secretary an attentive and patient examination; which has resulted in a conviction upon my own mind, that many if not all of the difficulties which seem to lie in the way of gentlemen, may very readily be removed by a like attentive and patient investigation on their part. It has also satisfied me, that the means at the control of the Secretary are not only insufficient to meet the existing demands upon the Treasury, but that there will be, at the close of the present year, a deficiency of several millions of dollars. This, I think, I shall be able to make manifest to the committee, from the report of the Secretary; for it is upon that document, confused and obscure as some gentlemen represent it to be, that I shall base the whole of my reasoning.

The Secretary is an officer of the Government, selected to fill that high station, not only on account of his moral virtues, but because of a reputation which he has earned in the service of his country, and which has justly secured to him a large share of public confidence. I, sir, am content to take the official statement of such a man, at least until proof, clear and convincing, shall be adduced that he has erred; then, but not till then, will I consent to throw discredit upon his official conduct. I beg leave then, sir, for a moment to call the attention of the committee to a short statement I have prepared, and which presents fairly, and I think clearly, the liabilities of the Government, with its means of meeting them; and which can scarcely fail to satisfy every candid and unbiassed mind that its means of payment are not equal to its liabilities by more than six millions of dollars, after excluding from the estimate fifteen millions of dollars of unexpended appropriations, postponed to the next year, but which still remains a charge upon the Treasury.

In the Treasury 1st January, 1838 -	$42,468,859 97
Increased this sum by subsequent returns - - - -	1,670,137 52
Receipts for first half year, as per Secretary's report - - -	13,187,182 00
Estimated receipts for last half year, including merchants' bonds - -	9,500,000 00
	$66,826,179 49

Expenditures made and chargeable on the Treasury.

First three instalments of deposites -	$27,063,430 80
Balance of third instalment outstanding - - - -	1,165,575 18
Expended in first half year - -	16,733,884 33
Estimated expenditures for last half year - - - -	16,000,000 00
For Florida war - - -	1,600,000 00
Expenses of present session of Congress, say - - - -	500,000 00
Outstanding balance of appropriations chargeable on the Treasury -	16,000,000 00
Fourth instalment of surplus revenue -	9,367,214 00
	88,430,104 31
Deduct - -	66,826,179 49
Deficit on 1st January, 1838 -	21,603,924 82
Unexpended appropriations postponed to next year, but still a charge on Treasury - - -	15,000,000 00
	6,603,924 82
Error in addition in Secretary's report	512,263 00
Deficit in Treasury on the first day of January, 1838, after postponing $15,000,000 of unexpended appropriations, as above - -	$6,091,661 82

Mr. Chairman, it is with great deference that I have submitted, for the consideration of the committee, the foregoing statement; differing as widely as I do with gentlemen whose opinions are entitled to great respect. With the same document for our guide, the honorable member from Tennessee [Mr. BELL] and myself are almost as wide asunder as the poles; that gentleman, upon his basis of calculation, makes the surplus in the Treasury, on the first day of January, 1838, more than twenty million of dollars; and I show a deficit of almost as large an amount.

[Here Mr. BELL said, the gentleman from Virginia did him injustice, in supposing that they had arrived at such opposite conclusions from the same document; that the surplus shown by him was produced not alone from what appeared in the report of the Secretary, but by going out of that report; and that, so far as the gentleman from Virginia had gone, their results were very nearly the same.]

Mr. Chairman, I will never, intentionally, do injustice to the member from Tennessee, either here or elsewhere; and if he had exercised a little patience, I should very soon have relieved him from all apprehensions on that subject, as it was my intention to present the principal points of difference between us, that the committee might have

afforded to them an opportunity of deciding, for themselves, who it was that had fallen into error.

The first position taken by the gentleman from Tennessee [Mr. Bell] was, that the sum of five millions of dollars, which appeared to be in the hands of disbursing officers of the Government, was subject to the control of the Secretary, and should be regarded as so much money in the Treasury. That this amount cannot be regarded as money in the Treasury is obvious, because it had been drawn out by those officers of the Government on whom the authority was conferred to meet appropriations made by law, and was not, in point of fact, in the Treasury at the time the report was made. This I regard, as a very sufficient answer to the ground which has been relied on. Again, the five million of dollars, in the hands of these disbursing officers, must be included, either in the expenditures for the first half of the present year, or else in the estimated expenditures of the last half; and, consequently, cannot change the result, shown by the report of the Secretary, at the close of the year. But, sir, I have looked back into the past history of the Government, and I believe that no period can be pointed to when there was not a very large amount in the hands of disbursing officers: how could it be otherwise? The officers and soldiers of the army have to be paid through their paymasters; those of the navy through their pursers; pensions to be satisfied; treaties carried into execution; and contracts to be complied with; how are these things to be done without passing over, into the hands of disbursing officers, money for the purpose? It is true that the amount in the hands of these officers is large, but not so large as it was during the early part of the year, as appeared by a more recent report of the Secretary lying on the tables of the members, and which had been called for by the gentleman from Tennessee: and certainly not more than would seem to be necessary, when it was recollected that the amount appropriated by Congress, at the last session, exceeded thirty-two millions of dollars, and that to be disbursed in almost every section of the Union.

The honorable member from Tennessee [Mr. Bell] has also contended, that the estimates of receipts into the Treasury for the last half year was not as large as it should have been by three millions of dollars. By referring to the report of the Secretary, it will appear that the receipts in the first half year, deposited in banks and paid on drafts by collectors and receivers, amounts to $13,699,445 And the Secretary adds, "if no further postponement be granted on duty bonds, it was estimated that the whole receipts for the last half year, from all sources, would be about $9,500,000; but if the brief extension of the present postponement, brought into view thereafter, and favorably regarded, be directed by Congress, the receipts would probably be about $7,000,000; while, by a postponement of the whole to another year, they would not be likely to exceed $4,500,000." Here, then, we have the authority of the Secretary for saying, that in no event will the receipts for the last half year exceed $9,500,000, while the strong probability is that they will be reduced to $4,500,000. And, if any thing is to be inferred from what is passing around us, it will certainly warrant the conclusion, after extending the payments on duty bonds beyond the present year, as proposed by a bill which has passed the Senate, that the receipts into the Treasury for the last half year will not exceed $4,500,000. But the gentleman from Tennessee, to produce his surplus, estimates them at $10,000,000, making a difference between his estimates and those of the Secretary of $5,500,000, which I consider a fair deduction from the amount of surplus which he supposes will be in the Treasury at the close the present year.

The gentleman from Tennessee [Mr. Bell] has presented to the committee a statement of items of appropriation for the present year, amounting to more than six million of dollars, five million of which, he contends, may be retrenched without injury to the public interest. They are appropriations for the building of light houses, beacons, buoys, the improvement of rivers, harbors, &c.

I concur, sir, entirely with the member from Tennessee in his opposition to this whole class of appropriations, and, with him, have uniformly voted against them. I am opposed to most of them upon constitutional grounds: but, if I entertained no doubt upon the constitutional question, still I should have been opposed to them, because they lead to wasteful and extravagant expenditures of the public money; and if the member from Tennessee will devise some plan, submit some practical scheme by which they can be reached, I will most willingly co-operate with him in the accomplishment of the object he has in view. But is that to be expected? Have we not had the aid of the talent and ability of that gentleman in resisting the very laws which provide for these appropriations? Have they not been resisted by us both at every stage? And can he have forgotten the small minority in which we found ourselves on every question? How, then, can he now expect to succeed in cutting down these expenditures, when he has so signally failed in resisting the laws which provide for them. Should he make the attempt he would, in all probability, be told that some of these works were commenced, some completed, and that others were under contract. Sir, the golden harvest is maturing and carefully watched over by those into whose granaries it is destined to go.

I shall notice but one other item in the statement which has been submitted by the honorable gentleman from Tennessee, [Mr. Bell,] and that is, the item of $12,000,000 based upon the supposed issue of Treasury notes to that amount. He maintains that if the bill authorizing the issue of Treasury notes to the amount of $12,000,000 shall pass, it will swell the surplus in the Treasury to more than $20,000,000; so that, in order to make up this very large amount of surplus, the gentleman from Tennessee is driven to the necessity of taking into his estimate $12,000,000, which are not only not in the Treasury, or under the control of the Secretary, but which cannot be placed there without creating a debt, for the payment of which the people are to be ultimately responsible; and here allow me to inquire, whether it was ever intended, by those who supported the deposite act, to incur a debt in order to make the deposite with the States? To that inquiry I am well assured that all will answer no.

If then, Mr. Chairman, I have succeeded in showing that the sources relied upon by the gentleman from Tennessee are deceptive and fallacious, I must, I think, have succeeded in establishing the truth of my own position, that, instead of there being a surplus in the Treasury on the 1st day of January, 1838, there will be the deficit shown in the statement to which I have already had occasion to advert.

An honorable member from Kentucky [Mr. Underwood] appears to have satisfied himself that there are other means at the control of the Government, with which to make the fourth instalment with the States. There are, he informs us, held by the Government, three bonds due from the Bank of the United States, for the payment of about $6,000,000 in three equal annual instalments, which will fall due on the 1st of October, in the years 1838, 1839, 1840; and he proposes that these three bonds shall be brought into the market, and sold, I presume under the hammer, to the highest bidder, and the proceeds of sale passed over to the States, under the deposite act of June, 1836.

I am opposed, Mr. Chairman, to the proposition of the gentleman from Kentucky, for reasons which I will proceed very briefly to assign. In the first place, I am opposed to it, because I am unwilling to see the Treasury of the

United States converted into a shaving shop; and also, because of a conviction upon my own mind, that, if they shall be disposed of in the way proposed, it is scarcely to be hoped that they will command their full value. For at no former period of our history has there been a time when the derangement in the moneyed concerns of the country had been so universal; at no time have the people been borne down by so heavy a weight of debt; at no time has it been more difficult to command money. The cry every where to be heard is, relief! relief! Let these bonds then be brought into the market at such a time, and under such circumstances, and who are to be your bidders? where is the man or set of men to be found, who can advance two millions of dollars to make the purchase? They may be called for, but it will be like calling spirits from the vasty deep; they will not come. One bidder there will be, the Bank of the United States; and unless the agent authorized to make the sale shall be laid under conditions, the bank will dictate the terms, and become the purchaser at its own price.

Again, the Secretary of the Treasury, in reply to the inquiry, "what objects of public expenditure can, with the least injury to the public service, be either wholly dispensed with during the present year, or bear any material reduction?" has informed us that enough of it could and would be postponed till the next year, to amount to about $15,000,000. But that sum will still remain a charge upon the Treasury, to be paid out of the accruing revenue from the next year, or provided for in some other mode. And if the bonds due by the bank be now sold, and the proceeds deposited with the States, the strong probability is, that the Government will be driven to the necessity of resorting to an additional loan to meet the demands upon it.

If, then, it were in the power of the Secretary to control the whole amount now on deposite with the banks, and which is known to be there locked up, and wholly unavailable, such has turned out to be the reduction of the revenue from various sources during the present year, and such the crippled condition of the finances, growing out of the embarrassed situation of the mercantile community which has rendered necessary an extension of the time of payment upon their bonds, that it is not possible to make the transfer of the fourth instalment of the surplus revenue to the States without incurring a national debt. The surplus expected to have been in the Treasury on the 1st of October, in point of fact, is not there; nor are there any means at the control of the Government with which to meet the demand. It would seem to me, therefore, that the necessity has arisen when it would become the duty of the Secretary (if the whole amount had been paid over to the States) to require its repayment upon the terms prescribed in the act of June, 1836.

Having now shown, as I think I have done, that the necessity exists, I shall proceed to examine the question, whether Congress can rightfully exercise the power to control the fourth instalment, as the bill under consideration proposes. This leads me to examine for a moment the deposite act of June, 1836: what was that act but a temporary expedient to meet a most unexpected and extraordinary state of things; a measure adopted, not to give away or to loan out the surplus then in the Treasury, but to place that surplus on deposite with the States, without interest, until the necessities of this Government should render necessary its return?

I know, Mr. Chairman, that there are gentlemen who now choose to regard it as a distribution act: but do they not know that in that form it could never have received the sanction of Congress, or the approval of the President? And I now invite all who entertain that opinion carefully to examine the law, and say whether plainer language to exclude such a conclusion could have been employed.

But it is contended by others, that, as the law provided that all the money which should be in the Treasury on the 1st day of January, 1837, (reserving the sum of five millions of dollars,) should be deposited with the States, the faith of the Government was thereby pledged to execute the deposite act to the letter; and that, whatever may be the necessities of the Government, it can exercise no control whatever over the subject until the deposite shall have been actually made with the States.

I, Mr. Chairman, would be one of the last, I could hope, sir, the very last, who would be willing to do any act the tendency of which was to violate the pledged faith of this Government; if all besides shall be lost, let us maintain untarnished our honor. And if gentlemen can satisfy me that there is any thing in the act of June, 1836, which imposes an obligation either legal or moral to make the deposite of the fourth instalment with the States, I will willingly abandon all the opinions I now entertain upon the subject, and, in good faith, execute every provision of that law to the letter; but if this cannot be shown, as I think it cannot, what good and sufficient reason can be assigned for incurring a debt, which must be paid by taxation on the people, under a system which is unequal in its operation, unjust in its principles, and absolutely ruinous to the great agricultural interests of the country?

A more rigid rule of interpretation than that contended for, could not be applied to the most highly penal statute; an interpretation which would defeat entirely the plain and obvious spirit and intent of the law, if it did not lead to a violation of the constitution; and I call upon gentlemen to show what constitutional authority Congress has to pass a law to raise money, not in execution of any of its conceded powers, but for the avowed purpose of making a deposite with the States.

I do not desire to be understood as maintaining that an inconvenience merely, attending any given construction of a law, is sufficient to show such construction to be false, or that to be the true construction which would avoid inconvenience. Where the language of a law is explicit, and the intention evident, whatever may be the inconvenience, such inconvenience must be borne. But in the interpretation of a statute not penal in its character, the plain object of its framers should never be lost sight of. And in order to ascertain what was really intended by those who framed the deposite act, I know of no safer guide than to refer to cotemporaneous expositions of it, given at the time of its passage. And I ask, sir, if there was one man, at that time, who advocated it upon the ground that it was a distribution act? Not one. Does any one now deny that the surplus is the money of this Government? or did it ever enter into the mind of any man, that it was to be placed where the Government could not control it; that it was to be paid over to the States, at every hazard, regardless of what might be the wants of the General Government? Such an opinion could not have been seriously entertained by any one. And Congress, with a view to make the operation as easy a one as possible with the deposite banks, provided for its transfer, by instalments, on the 1st of January, the 1st of April, the 1st of July, and the 1st of October, upon the supposition, that at these several periods there would be in the Treasury the respective sums proposed to be transferred. And must not that have been the expectation of the States? In other words, did the General Government intend to do more than merely to transfer the surplus revenue? and could the States have expected more? To suppose that more than this was designed, would be to suppose that Congress intended to incur a debt for no other purpose under heaven except to deposite it with the States for safe-keeping alone.

If, then, Mr. Chairman, I am right in the interpretation which I have placed upon the deposite law, that law has now fully answered its end; it has rid us of the surplus; and there no longer exists an obligation upon the Govern-

ment, either legal or moral, to transfer the fourth instalment to the States. But, again: suppose the transfer shall now be made, would not the Secretary of the Treasury have the right, immediately, to require of the States to pay it back? This, I presume, will be admitted by all. And if the power exists to call it back, what good and sufficient reason can be assigned against withholding it.

It has been contended, however, that an expectation has been raised on the part of the States, that the transfer would be made; that, upon the faith of that expectation, the States had actually gone on to appropriate the amount; and that such expectation should not now be disappointed. This, sir, may be true, and I doubt not is true, as to many of the States; it may be that the course of legislation on the part of the States may subject them to very serious inconvenience, and possibly to loss. But the inquiry immediately recurs: Whose act was it that produced the difficulties with the States? It was the action of the States themselves through their Legislatures; action, too, taken by them, with full knowledge that the money so applied was neither given nor loaned, but merely deposited; liable to be called for at any moment when the wants of the Government should render necessary its return. And the argument from inconvenience, if it be worth any thing, is just as conclusive to prove that the amount, when deposited, could at no future day be called for; for I presume it will never be entirely convenient to pay back the amount. It proves that what was intended and declared to be a mere deposite for safe-keeping, was, in truth and in fact, a gift, absolute and unconditional; that such was never the intention of Congress is rendered too plain by the terms of the law itself to admit even of doubt.

But suppose it shall now be determined to pay over the fourth instalment to the States; how is the amount to be raised? It is not in the Treasury; for to all practical purposes we have very nearly an empty Treasury: by this I mean that the available means, at the disposal of the Secretary, are not sufficient to meet the demands upon it. How, then, is the money to be raised? I presume by a loan of some kind, with the fath of the Government pledged for its redemption; but ultimately to be discharged, and paid off, through the ordinary channels of taxation upon the people. It follows, then, that the people are to be taxed to raise money to distribute among the people. You most graciously give them with one hand, and take back with the other a like amount; increased, however, by the costs, and charges of collection; and, also, by the amount of interest that may have accrued on the loan. The conclusion seems to me inevitable, that the passage of the bill now under consideration will give to the fourth instalment its proper direction, by placing it in a condition to be applied to the legitimate purposes of the Government, for which it was originally intended. Sir, I have never belonged to that old school of politicians (the federalists) who believed that a national debt was a national blessing. I consider a national debt a national curse; never to be saddled upon my country, except under circumstances of the most overruling necessity.

Mr. Chairman, I have heard from every rank of the opposition the most unqualified condemnations of all the measures proposed by the administration for the relief of the people; their condemnations have been poured out in one unbroken torrent upon them; from every quarter we have heard the charge, rung upon every key, that the measures proposed would afford no relief. I, sir, am not one of those who believe that the halls of legislation are the places to repair the ruined fortunes of men; I hold the doctrine, taught by those who are the most revered on the list of our statesmen, that Government shall extend its powers no further than may be necessary to protect individuals in the enjoyment of their constitutional rights and privileges; always guarding them against fraud and violence; but leaving each and every one to the enjoyment of his own industry, and to pursue his own happiness in his own way. Such a Government is not only free, but the most precious of human blessings. To leave man to reap, under its benign protection, the rewards of virtue, industry, and prudence, is the precious inheritance of the freemen of this land, purchased at the price of treasure and of blood.

I, sir, admit that it is the duty of the administration to propose measures of relief; those measures have been offered, are now before the country, and will be passed upon by the people. But, sir, is it true that they propose no relief? What is the object of the bill now before you, but to apply the money, which the people have already paid, to the legitimate purposes for which it had been raised, and thus to relieve the country from a national debt, which must at some future time be paid through the ordinary channels of taxation? What is the bill, by which it is proposed to issue twelve millions of Treasury notes, but additional relief to that large and respectable class of our citizens, the merchants, upon whom has fallen so heavily the present wide spread and calamitous embarrassments; supplying a substitute for gold and silver with which to meet their engagements with the Government; to aid them in the payment of their foreign debt; while it holds out to all classes important advantages? What is the bill upon your table, which proposed to extend the time of payment on duty bonds, postponing beyond the year the payment of millions of dollars, but relief, substantial relief, to the merchants; relief which places it in their power to extend like relief to their debtors? What is the bill for adjusting the remaining claims on the late deposite banks, but a measure affording similar relief to those banks; and thus putting it in their power still further to accommodate their dealers? Yes, sir, relief to those very banks, selected as the depositories of the public money, which, in a time of profound peace, with eighty million of dollars of specie in the country, had closed their doors against the Government and against the people. In short, sir, what debtor of the Government is it, whose case has been regarded with indifference; or to whose petition a deaf ear has been turned? And yet gentlemen can discover no relief in all this.

We know that, in times of sudden embarrassment and distress, all communities are but too apt to look to the Government for too much; and whenever the Government undertakes to interfere in the private pursuits of men, it must, of necessity, in endeavoring to relieve one class, violate the rights of another holding equal claims upon it. This, sir, has been felt, in all its overwhelming force, under your system of tariff laws, which, for years past, has borne down and oppressed the people of the South, drawing from their pockets the hard earnings of their honest industry, to sustain, (without any adequate return,) in another quarter of the Union, the great manufacturing interests which have grown up under it. It has been felt, too, in the exclusive privileges conferred upon the Bank of the United States, now again struggling for existence, and openly advocated here, upon the ground that it is a panacea for every political disaster and for every national calamity. But I forbear to go into these topics.

Let us adopt the measures which have been proposed, and rely for further relief upon the enterprise, industry, and frugality of the people. Sir, it is not so much to legislation as to the growing crop of cotton, tobacco, wheat, and rice, that I look for substantial relief; it is the productive labor of the country that is to dispel the gloom that hangs over it, and relieve the embarrassments which press so heavily upon us.

But still, say gentlemen, there is no relief proposed. It is an easy task to find fault with every thing that is the work of man, but somewhat more difficult to remedy the defects complained of. Let those who make the charge devise a better scheme; let them present it, compare it with

the one which has been offered, and if it shall afford more solid and substantial advantages, come from what quarter it may, I for one will give to it my humble support.

An honorable member from Pennsylvania [Mr. BIDDLE] has characterized this bill as another experiment, informing us, at the same time, that he was heartily sick of experiments. What, I would ask of that gentleman, is the bill under which he now claims for his State one million of dollars, but one of these much-abused and untried experiments? An experiment, however, when viewed through the captivating and dazzling medium of a millon, is disarmed of all its terrors. What was our Government itself, as received from the pure hands of our fathers, without a parallel in the annals of the world, but an experiment? What has been the history of the most important measures of the Government, from its foundation down to the present day, but a history of experiments? And, Mr Chairman, experiments for what? To establish the great truth, that man is capable of self-government: a truth that is carrying conviction to the minds of men throughout the civilized world; destined, at no distant day, to make tyrants tremble on their thrones; while it holds out to the enslaved nations of the earth a plan of political salvation by which to break the chains that bind them, and elevate them to the condition of freemen.

Mr. Chairman, I am not yet tired of such experiments, but shall give to the bill my cordial support.

When Mr. JONES had concluded—

Mr. ATHERTON rose and said he had endeavored, yesterday, to obtain the floor, to ask the indulgence of the committeee while he offered for their consideration a few remarks; and the remarks which he had then intended to make would now be much abridged, on account of what had been said by his honorable friend from Virginia, [Mr. JONES,] who had enforced, with so much more eloquence and abilty than he could pretend to, so many convincing arguments in favor of the bill before the committee. Complaint had been made by the gentleman from Pennsylvania, [Mr. BIDDLE,] of the confusion existing in the report of the Secretary of the Treasury, and the impossibility of understanding its details, so as to arrive at a definite conclusion in respect to the existing state of the Treasury; and a reference was made to an admission of the gentleman from Ohio, [Mr. HAMER,] that it was incumbent on the friends of this bill to make out satisfactorily the propriety of passing it. In allusion to this, the gentleman from Pennsylvania asserted that he was in doubt, and that it was evident others were also, as to the state of the Treasury; and, therefore, the case of the friends of the bill was not made out. Now, even on this ground, he (Mr. A.) viewed the matter in a different light, and considered that a case of doubt as to the condition of the Treasury would make out affirmatively the propriety of adopting this measure; nay, would compel us to it as a duty: for the question would then be, whether, when it was doubtful whether we should need our own funds or not, we should place them out of our disposal? But what doubt is there on the subject? No one denies that, whether the Secretary's report be understood or not, and whether the last instalment be postponed or not, we must have recourse to some method of raising money for the exigencies of the Treasury. How, then, can it be said that the Treasury does not need this money?

One chief argument, however, advanced by the opponents of the bill, is, that it does not appear that the sum in the Treasury is less than what would be required for the payment of the last instalment. He contended that it did so appear, and that the conclusions of the Secretary were stated definitely and explicitly, and the details leading to those conclusions must appear clear and consistent to those who would give to the report that attention which the nature of the subject demanded. He had drawn up a statement, based on the report, which, in his opinion, sufficiently showed this, and which he had intended to lay before the committee; but as the committee were already wearied with the subject, and the matter had been so ably stated by the gentleman from Virginia, he would forbear from inflicting it on them. But it seemed to him that the gentleman from Pennsylvania had admitted a principle which at once decided this question. That gentleman, in reference to various statements of the condition of the Treasury made upon this floor, tending to support the report of the Secretary, has denied that they have any weight, or ought to have any, because they have not the seal of responsibility—they contain no assurance from any officer responsible to the House. Now, sir, we have a statement from an officer responsible to the House—from the Secretary of the Treasury. He is the officer to whom we, as a branch of this Government, apply for information on the state of the Treasury, and on whose information we must base our proceedings. If he deceives us, he is liable to impeachment. Can it be asserted that this officer has not better means of knowing the state of the Treasury than any member on this floor? What does the Secretary say? He declares that the whole amount in the Treasury at the time his report was made, was only a little over eight millions of dollars, and this includes both available and unavailable funds. Any person, he believed, must, on carefully perusing the report, arrive at the same conclusion. It must also be evident that, after taking out the excess of the expenses over the receipts for the month of September, the balance on the 1st of October will be not much above six millions of dollars; and of this balance, the available funds will be only about two millions of dollars.

In whatever light it may be viewed, the question seems to be, whether we shall borrow money for the sake of depositing it with the States. The gentleman from Pennsylvania, [Mr. SERGEANT,] who addressed the committee some days since, was understood to admit there would be a deficiency in the Treasury, but to contend that the Secretary was bound to make this deposite, if there were no action of Congress on the subject; and that the question was whether we would stop this appropriation. Now he (Mr. A.) thought it incumbent on gentlemen to say how the Secretary could, by any possibility do this, unless there be some action of Congress on the subject. He thought it incumbent also on those who contended there is such a vast amount of money in the Treasury, to inform the Secretary where it may be found. Nor could he conceive it to be other than a misapplication of terms to call this an appropriation.

The gentleman from Tennessee [Mr. BEEL] has said that he views the question of making the deposite of the last instalment with the States as a question of faith, like that of making payment to any other creditor. To him, (Mr. A.) the position that this was a contract, seemed utterly untenable. Are the States our creditors to the amount of the last instalment? What consideration have we received for it? Has the money already deposited, gone to pay our debts to the States? The gentlemen from Ohio [Mr. LOOMIS] contends that the States furnish a consideration, because they are obliged to agree to accept the money, and to pledge the faith of the States for its repayment. Now, this fact, to Mr. A's mind, showed it to be a deposite, else why so much caution as to securing the repayment of the money when needed? All the guards and securities to this end, prove that it was the money of the United States, and not that of the States. The deposite law of 1836, both in its letter and in its spirit, is a law for the safe-keeping of the money of the United States. We have power to withdraw the money after its deposite, if we need it, and, of course, to withhold it. The law was based on the supposition of a surplus in the Treasury, and an available surplus.

The gentleman from Tennessee has said that he considered this a question whether our expenditures were to be reduced now or never, and contends that the expenditures under existing appropriations can be so reduced as to supersede any necessity of postponing the last instalment. It seemed to him (Mr. A.) that this is shown to be utterly impracticable. All expenditures have already been postponed in the Secretary's estimates, which, after a most careful investigation, it was found could properly be dispensed with for the present. It must be apparent that the greatest reduction which could, by any possibility, be made in the expenditures of the last three months of this year, would not affect the balance in the Treasury to an amount sufficient to make any difference in the aspect of the question under consideration. As to the reference made by that gentleman to the sum in the hands of disbursing officers, it seemed only necessary to recollect that this sum is not in the Treasury, and can in no manner be made applicable by the Secretary in the manner contended for. Money in the hands of disbursing officers is charged, at once, to appropriations which are, by that, so much reduced; and of the amount returned by the last reports as in the hands of those officers, half of it is actually expended, and all the remainder contracted for. Should works under contract be stopped, every one must perceive, it would be a source of great expense and loss. We should be beset with application after application for damages on account of breaches of those contracts; and it requires but very little acquaintance with such subjects to convince us at once that the responsibilities and the expense thus incurred would, by far, counterbalance any advantage that could accrue to the Treasury. He (Mr. A.) believed that a large majority of the friends of the administration would be found as ready as the gentleman from Tennessee to do all in their power to prevent extravagant appropriations. That gentleman has said that the professions of economy of this administration, like those of the last, were hollow. In regard to the professions of the last administration, perhaps he (Mr. A.) ought to defer to the greater experience of the gentleman from Tennessee, and his superior opportunities of judging. He had, however, been inclined to believe them sincere, and before he admitted the justice of the gentleman's imputation, he would like to inquire whether the friends of the gentleman, the National Republicans of the North, who have been characterized by the gentleman from South Carolina [Mr. Pickens] as having reform on their lips and extravagance in their hearts, had nothing to do with these extravagant appropriations. But it did seem to him (Mr. A.) that of all the extravagance ever heard of, of all the extravagance which it ever entered into the heart of man to conceive, the greatest is that proposed by the opponents of this bill. It is to borrow money for the purpose of giving it away—according to the views of the gentleman from Kentucky, [Mr. Underwood,] who contends that the States have a right to retain this money after they once get it—or borrow money and pay interest for it, that it may be kept safely for us by the States, who pay no interest! In either view of the subject, he called on gentlemen to show that this is not the worst of extravagance.

The gentleman from Pennsylvania [Mr. Biddle] had said that those voting for this bill, in its present shape, would subject themselves to the charge of insincerity, and of a low and hollow device, because, while it professed merely to postpone, its real effect would be to repeal, the deposite law, so far as relates to the last instalment. He (Mr. A.) could not see how this charge could be sustained. If there be insincerity chargeable any where, it would seem to him to apply much more forcibly to those who advocated the passage of the law of 1836 as a deposite law, and now contend that it should be construed as a distribution law. It is within the knowledge of all that the passage of that law was urged on the ground that it was merely a law to regulate the deposites of our own money, and they are the persons who really manifest hostility to the principles of that law, who now view it in another light. By this they go far to sanction the justice and force of the arguments used by the opponents of the law against its adoption; for it was earnestly contended, in opposition to its passage, that it would prove to be not what it professed to be, but a distribution law.

As measures contained in other bills reported by the Committee of Ways and Means had been alluded to, he might be permitted to notice a remark of the gentleman from Tennessee, that the true object of the administration was to establish a Treasury bank, and that this object was already indicated by a proposition for the issue of a large amount of Treasury notes for a currency. It was unnecessary to refer to the various precedents of such issues by the Government, when no such imputation was ever dreamed of. These precedents are familiar to all. But how does the matter stand? If the bill before the committee pass, there will be a necessity for the issue of only ten millions, while, if the bill be defeated, an amount of twenty millions of notes will be required. Thus it seemed to him (Mr. A.) that this charge would apply with much more force to the opponents, than to the friends of the bill before the committee.

It was not without some surprise that he heard a call made on those in favor of State rights to oppose this bill. It seemed to him that nothing could so effectually destroy State pride, and the rights of the States, as to make them the eager and humble expectants of the bounty of the General Government; to introduce them here as requesting the Government to borrow money for the purpose of distributing it among them. The very worst feature of the principles of those who have upheld what they call the American system is here discernible; that which indicates the disposition to keep up a high tariff for protection, and to disregard the true doctrine of limiting our revenue to our expenditures—an earlier observance of which would have preserved us from many, if not all, of the difficulties with which, of late years, this Government has had to contend.

Nor could he admit that the argument drawn from the fact, that a postponement of the last instalment might interfere with the domestic arrangements of the States, as to its disposition, was a legitimate argument. The States had no reason to consider the money as their own, and any legislation founded on that supposition, was thus far, improvident legislation. No one certainly regretted any inconvenience to which the States might be subjected more than himself. His constituents would suffer their share of any such inconvenience. It was his opinion, and he doubted not that he agreed in this with a large majority of his constituents, that we have no constitutional right to raise money for the purpose of paying over this last instalment; and were the inconveniences which would result to them to be far greater, he could confidently say they were too patriotic, and too much attached to the constitution of their country to desire the violation of so important a principle. But the inconvenience would, in no case be very general or very great. This money goes in too many instances into the hands of a limited number of favored individuals, and in some States to the use of corporations; and its distribution is, at best, a taxation of the many for the benefit of the few.

As allusions had been made to the message of the President, and to the existing embarrassments of the country, together with the means of relieving them, Mr. A. would briefly advert to these topics. We had heard it said by gentlemen of the opposition that they did not come here prepared to introduce or suggest any measures of relief; yet they had animadverted with the greatest severity on the message of the President as proposing no such meas-

ures. Unless they knew of some measure proper to be suggested, would they be so unjust as to condemn the President for not suggesting it? Yet it has been here stated more than once that they would suggest nothing. It seemed to him (Mr. A.) that they were reduced to the dilemma of either acknowledging that they had no measure which they could suggest, or that their favorite measure is such that they shrink from presenting it before the people.

We have, indeed, heard a caution given to the gentlemen of the opposition, not to bring forward any proposition for a national bank, because such a measure was odious to a majority of the people. But, sir, thanks to the frankness of the gentleman from Kentucky [Mr. UNDERWOOD] and the gentleman from Pennsylvania [Mr. BIDDLE] there is no longer any doubt or concealment upon this subject. The embarrassments of the country, which those gentlemen represent in the most vivid colors, are all ascribed to the destruction of the United States Bank; and the establishment of such an institution is set forth as the panacea which is to restore every thing to health, and bring back our former high and palmy state of prosperity.

The gentleman from Kentucky has asserted that the great cause of mischief was the veto of 1833, occasioned by that clause in the constitution which makes the will of the President, in the exercise of the veto power, paramount to the will of the representatives of the people. Had it not been for this, said the gentleman from Kentucky, we should now have a national bank. He (Mr. A.) viewed the matter differently. The exercise of the veto power in that instance by the President, who, in this respect acted as the agent of the people who elected him, prevented the representatives from fastening by an accidental majority, an odious and irresponsible moneyed oligarchy on the people, against their will. And in that provision of the constitution he (Mr. A.) saw a wise provision, which prevented the will of the people from being thwarted by accidental circumstances, and secured to it, in the end, its full force and effect.

The issue is now fairly presented, and (said Mr. A.) let it be proclaimed to the people of the country that the true issue to be tried is, a bank of the United States, or no bank. The gentleman from Pennsylvania had referred to the recent election in Maine in connexion with the doctrines of the message, and had adverted to that election as showing the rise of a "star in the East." The doctrines of the message had been termed on this floor revolutionary. He thought that those doctrines were the doctrines really deserving that epithet, which would lead us to overturn the constitution and to do that which we have no constitutional right to do. He (Mr. A.) believed that the doctrines of the message were such as a vast majority of the people would approve, and that the sentiments there avowed would find a hearty and cordial response in their bosoms. It was just such a message as was earnestly and ardently desired and expected by the people: and the President, in sending forth that able and admirable document, had done that without which no one can obtain permanent greatness and renown—he has identified himself with the spirit of the age.

There are gentlemen on this floor, representing the State of Maine, abundantly able to speak in her behalf; but he (Mr. A.) knew a little of the spirit of the democracy of the North, and he would venture to say, that, let the true issue be presented to them, and the principles of the message be well weighed and understood, and they would rise, and, to a man, they would gird on their armor and bare their blades, and, shoulder to shoulder, they would again fight the battle of liberty. And he could tell the gentleman from Pennsylvania, that, ere another year, his "star in the East" will have proved but an *ignis fatuus* which has deceived him with a false and delusive hope, and the true star in the East will re-appear—the star of the morning—the harbinger of full and glorious day.

He hoped he might be pardoned by the committee if he alluded briefly to the imputations which have been made on the Secretary of the Treasury. That distinguished officer was a native of his (Mr. A's) native State, and of his native county. One imputation which has been thrown out is, that the Secretary is opposed to the deposite law, and that he has (if he, Mr. A., understood the charge) thrown a large amount of money into the hands of disbursing officers, so that it could not be available for the purpose of paying the fourth instalment. If gentleman would take the trouble to examine the information communicated by the Secretary of the Treasury on the subject, they would discover the injustice of this imputation in the fact that the amount in the hands of disbursing officers is less than it was in May last, the time of the suspension of specie payments. He would also remark that the complaint which has been so earnestly made concerning extravagant appropriations, seems hardly consistent with another source of complaint against that officer, who has also been accused of taunting Congress with the fact that their appropriations were larger than he had recommended or could approve. He thought that some observations which have been made here in relation to the Secretary might well have been spared.

Is there any secret cause of sensibility which prompts these attacks on the part of the friends of the Bank of the United States? Do they result from the fact which is before the committee, in an answer to the resolution of inquiry proposed by the gentleman from Pennsylvania, [Mr. BIDDLE,] that the Secretary of the Treasury has paid large classes of public creditors in gold and silver, while this favorite Bank of the United States, in violation of its charter and of the plainest moral obligations, refuses to pay one single dollar?

That individual, said Mr. A., needed not the aid of his humble vindication; his distinguished career is well known to the nation. In his native State, as an advocate he had few equals, and no superiors at a bar which, for learning and talent, is unsurpassed by that of any State in the Union. Elevated to the bench at a very early age, his dignity, impartiality, and varied legal attainments, secured the respect of that bar, and the confidence of the suitors in his court; and his published legal opinions are justly admired for their clearness of conception, their correct diction, and their profound learning. Having filled the chair of Chief Executive Magistrate of his State, he was elected to the Senate of the United States; and in that body, amidst a constellation of talent never surpassed, he stood in the very first rank as a statesman and debater; and in the administration of two departments of this Government, and especially of the Treasury Department in the late difficult crisis, his eminent abilities, aided by that without which the greatest abilities are of little avail—his persevering and untiring industry—have placed him on an enviable eminence in the eyes of the American people—an eminence far above the reach of the shafts which have been, or may be, aimed at him.

Mr. FOSTER said he trusted that he only did bare justice to all, when he expressed the opinion that all members of that body had come together with a sincere wish and resolute determination to do all in their power to relieve their common country from its present embarrassments. He expressed the hope that the same frankness which marked the fearless and candid message of the President of the United States, in relation to the affairs of the country, and the best means of ameliorating them, would pervade the bosom of every member. Each should endeavor to restore a healthful tone to the business and the energies of the nation in its every department, and aid in producing such a bill for its relief as all may cordially unite in.

He would not discuss the expediency or policy of the distribution act of 1836. Nor was he about to moot the point whether the terms of that act imposed a binding legal obligation on the parties to what some might call a contract, and others a rope of sand. But it should be his object to show the law was understood by the people of this country as well as how it was originally intended to operate by the framers of it.

It was the intention of that act, as plainly expressed by its language, to deposite the amount, whatever it should be, of money in the Treasury on the 1st day of January, 1837, less $5,000,000 to be retained in the Treasury, with the several States, they agreeing to refund it when demanded by the Government. Here nothing was said of the character of the amount to be deposited by the Secretary of the Treasury, whether it was to be in available or unavailable funds. Whatever it was on that day, it was to be so deposited. On that day there was a surplus of $39,000,000 in the Treasury. The Secretary of the Treasury, influenced by certain circumstances, estimated it at two millions less. The terms of the law made, then, this $37,000,000 liable to be thus deposited, in four instalments, viz: the first in January, 1837, and the second, third, and fourth, in April, July, and October, following. Now, will it be said that when the Secretary issued the circular apprizing the States of his readiness to pay the first instalment, any one anticipated a state of things like that which has now called us together? Did any one anticipate that the whole of that surplus residue in the Treasury would be faithfully paid over, according to the terms of that act? It starts with saying how much is due the States, and in what precise proportions it should be paid. Did the people of this country ever imagine that, on the specified days, they never could possibly fail to receive that amount of $37,000,000, in four instalments? Did not every member of this House who voted for that law, at the time believe that the States would promptly and punctually so receive it?

Mr. F. here called the attention of the House to the language of the States upon receiving the circular of the Secretary of the Treasury above alluded to, in order to show what was the understanding of those States as to the act of 1836; and he alluded more particularly to his own State (New York) in this connexion, and to the course taken by that State on receiving it. What, then, was the obvious intention of Congress? Ever to withdraw this money? By no means; or, if so, then was not the legislation which produced that law at all clear or efficient for the emergency. The interest only was expected. Now, Mr. F. begged to be understood as by no means intending to eulogize either the policy or the expediency of that law. He only mentioned it thus particularly, in order to illustrate the conclusion to which he was coming.

He would now ask the friends of the administration on that floor, and those who voted for the bill originally, and who intended to carry it out into complete effect, to meet on some common ground, and fulfil, as nearly as the exigency will permit, the original intention of that bill. He would recommend for that purpose the amendment of the gentleman from South Carolina, [Mr. Pickens,] which proposes a postponement of the fourth instalment. For, sir, asked Mr. F., does any one pretend that the Government shall never pay over this last instalment? That could not be pretended, under the plain and obvious intention of the act of 1836. Why not, then, accept the amendment suggested? Mr. F. believed something, if not this, must be done for the relief of the Treasury. The available funds at the command of the Government would go but a short way towards the liquidation of this fourth instalment. It was not to be paid over, according to the terms of the act, without resorting to some kind of debt, either by borrowing, or by an increase of the amount of Treasury notes. Under this aspect of affairs, he would be compelled to go for the bill, if no substitute or amendment were provided. The gentleman from South Carolina [Mr. Pickens] proposed to postpone the payment of the last sum due the States until January 1st, 1839. In the mean time we can look around us, retrench our expenditures, benefit by experience, and ascertain if, without detriment, we can deposite with the States what we must all certainly admit is honestly due them. Can there be any objection to this course—to the assumption of this common ground?

Mr. F. adverted with some particularity to the situation of his own State (New York) in relation to this matter, and, after a eulogy upon the united spirit of determination in meeting such responsibilities as they are called on to sustain, which characterizes the people of that State, he showed that the Legislature of New York, confiding in the terms of the act of Congress of 1836, and having complied with the terms of that act, had actually loaned the whole of the proportion of the $37,000,000 falling to the share of that State, and secured it by bonds and mortgages throughout its towns and districts. And not only the first, second, and third instalments, but the fourth also, the whole amount coming to them from the National Treasury. This presented a hard case, in the event of the remaining instalment not being forthcoming. But whether it be forthcoming from the Treasury or not, to those who have borrowed it on the faith of the State of New York, it will be faithfully, promptly, and to the uttermost farthing, forthcoming, (said Mr. F.) She must rely on her own resources, which have never yet failed her. And she will have no aid from this Government in doing this, for this Government has already drawn all its deposites from her keeping. And here Mr. F. attributed the ability of his State thus to meet the contemplated emergency to the good working of the much-abused "Safety fund" scheme, which he eulogized at some length. He then alluded to the difference, in this connexion, existing between that State and the Western States of the Union, and, having commented on the relation which they bore to this important question, he again asked gentlemen of all parties to meet on some middle ground. He hoped that on the one side there would be found no member who, like Shylock, would insist on the very letter of his bond, nor, on the other hand, one who would fain avail himself of a convenient opportunity to get rid of a measure he chanced to be averse from. He could not impute either of these motives to any gentleman here.

Pass this bill, (said Mr. Foster,) and you have no need of increasing your issue of Treasury notes: you can conveniently delay the payment of the custom-house bonds. The issue of your Treasury notes will enable you to pay what you owe, and will re-establish your credit, as well as afford a sensible relief to the suffering mercantile and other interests. You give the merchants time and opportunity to resuscitate their drooping affairs you do much towards restoring the weakened credit of the country, and towards impressing other nations with confidence in the integrity of the people of this country, and in their ability and intention to perform all their obligations, and thus contribute to restore them to that state of prosperity they have hitherto so long and so uninterruptedly enjoyed. Did we not come here (continued Mr. F.) in order to make such mutual concessions as the crisis demands—in order to produce advantageous results for the welfare of our constituents? And can we go back to them, and justify ourselves in their opinions for having obstinately stood to our individual rights, resisting all appeals to our magnanimity?

This is a rare crisis, (said Mr. F. in conclusion.) It will not often occur. It has only to be met. Meet this now, and surmount the difficulties it interposes in our path, and we live forever. We can show the world that we have abundant and exhaustless resources, and recuperative ener-

gies, which defy all exigencies. Let all, then, like men, apply their shoulders to the wheel, without party divisions, striving to rival each other in our exertions for the restoration of a healthy tone to our embarrassed affairs, for the revival of our business energies, and for the substitution, once more, of cheerful prosperity instead of deep distress.

Mr. BRIGGS would detain the committee but a few minutes. He should not attempt to enter the dark and gloomy labyrinth of the Secretary of the Treasury's report. He was willing to acknowledge his own obtuseness, so far as candidly to admit that the exercise of all the powers of his mind, in an attempt to understand that report, had been entirely fruitless, and that he had given up the attempt in despair. He could not get out of it any definite idea of the actual state of the department which was under the management of that officer. And he believed that he but shared a very common and general inability, on the part of the members of that House, while suffering under this want of perspicacity in relation to that document. Yet some gentlemen had called it a clear and perspicuous report. If it be so plain that "they who run may read," he would ask why it was that the gentleman from New York, the chairman of the Committee of Ways and Means, had deserted its pages, and substituted for them his own statements, by way of enlightening the House on the present state of our Treasury? That gentleman would not hazard the bill before this committee upon calculations which he had made from the Secretary's report, but had gone to the Department in person, and from the manuscript papers found there made up his estimates, as exhibited in the printed tables now before us. If that clear-headed gentleman, with all his talents and reputation as an accountant, could not satisfy himself of the financial state of the Treasury by investigating the report of the Secretary, but was compelled to seek information among the mass of unprinted papers on the files of the Department, it is not strange that those who make no pretensions to learning in this "Treasury science," should be in doubt and difficulty.

Nor had the gentleman [Mr. CAMBRELENG] been alone in his laborious researches. The gentlemen from Virginia, Maryland, Ohio, and New York, together with the gentleman from Tennessee, on the other side, have all given their statements, and yet he would venture a Yankee's "guess," that there were no two of the whole number which would be found, on comparison, to agree. All this may go to prove that the Secretary of the Treasury's report is a remarkably clear document, I admit; but if that be so, it also goes to prove that the members who have favored us with their statements do not possess equal clearness with the Secretary. It may be all very clear; yet was he, (Mr. BRIGGS,) in relation to the matter, very much in the predicament of a certain old lady, who was asked how she liked a very metaphysical sort of sermon she had been listening to. "Why, "said the good woman, "it was the best sermon I ever heard in the whole course of my life; and I would have given any thing on earth if I could only have understood it!"

Thus perplexed, he (Mr. B.) had been compelled to use his own lights, dim as they were, in order to ascertain the object he had in vain been seeking for, and he had come to the conclusion that there was no pecuniary necessity in the case which should impel Congress to postpone the provisions of the act of June, 1836, in relation to the deposite of the surplus revenue; nor did he believe that the Secretary of the Treasury, if he should appear before us, would say that he believed there would be a deficiency of means in the Treasury to meet the demands of the current year, though he might say that a part of those means would not be immediately available. In relation to the law of June, 1836, it struck him (Mr. B.) as passing strange that, in a House consisting to so great an extent of well-read and experienced lawyers, there could be such wide differences of opinion as to the legal import and character of that act. For himself, though a lawyer by profession, he did not pretend to the possession of any very high legal abilities, yet, to his mind, the meaning and intention of that law appeared clear and plain. It provides that "the money which shall be in the Treasury on the 1st day of January, 1837, reserving the sum of five millions, shall be deposited with the several States in proportion to their respective representations in the Senate and House of Representatives, as shall by law authorize their Treasurers or other competent authorities to receive the same on the terms hereinafter specified."

The terms and conditions upon which the money was to be deposited with the States are set forth in the act. In pursuance of the directions of the act, the Secretary of the Treasury communicated to the several States the law authorizing him to deliver to them the public money, and called on them to say whether they would comply with its provisions. Every State in this Union, in the solemn form of legislative enactment, consented and agreed to receive the money, and to comply with the conditions and requirements of the law of Congress. In compliance and fulfilment of this proposition, made by the Government of the States, and accepted by the Legislatures of the States, three-fourths of the whole sum which was in the Treasury on the 1st day of January, 1837, (the whole amount of which was named by the Secretary in his proposition to them,) has been paid over to the States.

Can this Government now withhold the fourth instalment without the consent of the States, and not violate the plain provisions of their own law?

The money was to be passed over to the States in four equal instalments, at fixed periods. It was to be repaid by them when wanted by the Secretary of the Treasury, to meet appropriations made by law, in ratable proportions, and in sums not exceeding a certain amount by any one State.

No provision in law authorizes the Secretary to withhold, in any state of the case, any portion of the money. Nor does Congress reserve to itself the right or power to do any such thing.

The gentleman from Virginia [Mr. JONES] asks if Congress meant that this money should be deposited with the States, if the Government should want it for its own purposes? I answer, that Congress intended that all the money which should be in the Treasury on the first day of January, 1837, after deducting five millions of dollars, should be deposited with the States. To prove this intention, I refer to the explicit, unambiguous, and unqualified language of their own law, made to occomplish this identical purpose.

The gentleman from Virginia says, the fact that this thirty-seven millions were to be paid to the States by instalments does not change the character of the transaction between the General Government and the States. I concur with him fully. The instalments were arranged for the accommodation of the banks who held that money on deposite. As between the Government and the States, the case is the same as though the whole amount had been paid out at once. If it had been so paid, neither the Secretary, under the law, nor Congress, by new legislation, would have had the right to recall the money in any different manner than is provided by the terms of the law as proposed to, and accepted by, the States. This fourth instalment constitutes a much larger amount than could be demanded from the States, and cannot, therefore, in good faith to them, be withheld without their consent. What Congress would have done if they had anticipated a different state of the Treasury is one thing; what they actually did, and what are the rights of the States resulting from their action, is entirely another thing.

But (said Mr. B.) we are told that this is not a contract,

and not binding as such, because no amount is put down in the wording of the act. What do you want, sir, (asked he,) of an amount? *All* that shall remain in the Treasury, after deducting $5,000,000, on the appointed day, *that* is "the amount;" and if there were any doubt about it, the Secretary of the Treasury himself has kindly helped us out of the dilemma, by telling us, in dollars and cents, what that "amount" was. Well, this being ascertained, the States have a claim for their several proportions of it, as soon as they comply with the conditions of the act. They did so comply, and received three-quarters of the "amount," according to the tenor of the contract, and, meanwhile, the other quarter was as much their own as that already received, and was so understood by them, as well as by the Secretary of the Treasury. Several of the States have made appropriations of the whole sum as their own, enacted laws for its employment, and predicated all their action upon it as their own. And yet the distinguished gentleman from Virgina, [Mr. Jones,] as well as other professional men here, argue that this is no contract. What do gentlemen understand would constitute a contract? If a proposition, consisting of various conditions and limitations, made by one party to another, accepted by that other, and three-fourths of its stipulations actually carried into effect, does not come within the legal and common understanding of a contract, I am unable to imagine what would.

I will not say (said Mr. B.) that a case might not be put in which this Government, acting under the imperious law of necessity, might be justified in refusing to comply with the clear stipulations of their own law, in refusing to pay over this fourth instalment to the States. But, in my opinion, no such case is presented in the question before us. I do not understand from the Secretary's report that he means to say there is any deficiency in the funds of the Treasury to meet the demands upon it, if those funds were immediately available. But as a portion of its means, consisting of money on deposite in the banks, and a considerable amount in merchants' bonds, "cannot be immediately realized in funds suitable to meet existing appropriations," "it seems expedient, either in aid or exclusion of a requisition on the States, (as may be deemed most suitable by Congress, to provide some temporary resource, until enough of the fourth instalment, or other means in the Treasury, can be rendered available to discharge all the public engagements."

The passage of this law to withhold the nine millions of dollars now due to the States under the law of June, 1836, will not, in the slightest degree, relieve the Treasury from its present wants. The money is now in the deposite banks, and the Secretary expressly says that it "cannot be immediately realized in funds suitable to meet existing appropriations." Not one dollar of available funds would be brought into the Treasury by the violation of the faith of the Federal Government to the people of the States, as solemnly pledged in the law now upon your statute book. The Secretary proposes that Treasury notes should be issued to meet the present demands on the Government. Whether this bill, withholding the money from the States, passes or not, the necessity for the issue of Treasury notes is the same.

If the deposite law is left to go into operation, the banks can better make arrangements to settle the claims upon them with the States than with the Treasury of the United States. The Secretary of the Treasury says, "many of the banks which hold the money might be able more satisfactorily to pay it to the States than to the Treasury." The amount paid over by them would be distributed among the people of the States, go into the circulation of the country, and contribute, so far at least, to relieve the embarrassment of the community. I do not stand up as the apologist or advocate of the pet banks. They were brought into their existing relations with the Government without my agency or consent. But the Treasury poured its millions into their vaults, and it should not, by an effort to coerce them, further embarrass the people. Any pressure upon them, by the adoption of measures already originated in Congress, designed to force them into a sudden payment to the Government of its demands, would, directly or indirectly, add to that burden under which the people of this whole country are at this moment reeling.

The specie drawn from the banks must be taken from the people, who are their debtors. That derangement of the circulating medium, and that embarrassment of the whole business of the country, embracing all classes and conditions of men, from those who earn their bread by daily labor to the most opulent merchants of the great commercial cities, would be rendered more severe and oppressive, to the end that a few millions of specie should be gathered together and locked up in the iron safes of Government offices until it should be wanted to pay the salaries of the people's servants.

Why should we, who are assembled to adopt measures to alleviate the sufferings that are pressing our constituents to the earth, lend our aid to measures which will tend at least to aggravate those sufferings?

If this instalment is withheld, the expectations of the States will be disappointed; expectations created and raised by the voluntary action of the very Government which is now about to blast and destroy them. It will operate a most serious inconvenience and injury to many of the States. They have anticipated its reception, and, in one way or another, it has entered into their arrangements—led them to embark in expensive public improvements, and to incur obligations and liabilities, to meet which, without it, will subject them and their citizens to great trouble and embarrassment.

Mr. B. would again call the attention of gentlemen to the fact, and he begged them to notice it, that whilst the immediate pressing necessity of the Treasury was urged as the reason for the passage of the bill before us, not one dollar of the money which its passage could withhold from the States could be made available to meet the present demands upon the Treasury. It seemed to him, therefore, that the momentary pressure upon the Government for funds, which the Secretary tells us "is far from being any just cause for despondency," is seized upon as a pretext to repeal the unexecuted portion of the deposite law, when no practical good, but much evil, will result from it. These (Mr. B. said) were some of the considerations which had operated upon his mind, and produced the conviction that this bill ought not to pass—a conviction which had not been removed by any of the arguments which he had heard put forth in its favor. He wished to see the fourth instalment, amounting to more than nine millions, distributed among the States fulfilling the just expectations of the people, created by the deposite law, and tending, as he believed it would, to relieve them from that cruel pressure under which they were groaning.

The gentleman from Ohio, [Mr. Hamer,] in the early part of this debate, had admitted that the *onus*, as the lawyers say, of showing the necessity for the passage of this bill, was upon those who sustained it. He called upon the gentleman to come forward and dispel the mists and clouds which hung around the report of the Secretary, and to show the fiscal necessity of withholding this instalment from the States; to show, not merely that there would be a want of available funds on the 1st of October, which all could see; but to prove that the Treasury would not have resources for the year sufficient to meet all the claims upon it, though a portion of those resources could not be commanded within the year—a difficulty which the Secretary proposes to obviate by the issue of Treasury notes. The gentleman from New Hampshire [Mr. Atherton] admits, with the gentleman from Ohio, that the burden of satisfy-

ing the committee that the bill ought to pass is upon its friends. But he says, if it is made doubtful whether the Treasury will want this fourth instalment or not, we should withhold it from the States. This is, indeed, a new way of making out a case. If to raise doubts is to make proof, it would be easy to make out almost any case. I am not satisfied with that gentleman's manner of sustaining his onus.

Before the gentleman from Ohio can expect that I should go with him in support of the bill, I want him to satisfy me that there will be a deficiency in the resources of the year to meet the demands upon the Treasury; and that this nine million of dollars, to which the States are entitled by the law of 1836, could be made available to meet existing appropriations. Let him show, as he has indicated he can show, that the proposition made to the States by the Secretary of the Treasury for them to accept thirty-seven millions of dollars upon the terms and conditions named in the law, and their agreement, in their high legislative sovereign capacity, to receive the money upon the terms prescribed, and the payment of three-fourths of the amount by the General Government in part fulfilment of their proportion, altogether do not constitute a clear, intelligible, well-defined contract; such a contract as either of the parties, if they were amenable to the judicial tribunals of the country, would be compelled to execute, by all the courts in this land, from the lowest petty justice to that which holds its sessions in the basement of this Capitol.

When he shall show this, I will go with him and support his bill.

On motion of Mr. MERCER, the committee, at this point of debate, rose and reported progress; and

The House adjourned.

FRIDAY, SEPTEMBER 22.

FLORIDA WAR.

The resolution moved by Mr. WISE, for a committee, &c., coming up as the business of the morning hour—

Mr. BELL expressed his hope that the resolution before the House would be discussed temperately and calmly, without party asperity or personalities. He made some remarks upon the general custom of appointing select committees by the Speaker; and thought this a peculiar and rare case, and one which perhaps ought to be excepted from the general operation of the rule. He disagreed with Mr. GLASCOCK, who yesterday said he would have the committee appointed by the Chair in particular reference to the different persons connected with the different campaigns in Florida. This, if no other existed, was to him reason enough why he would prefer the ballot in selecting that committee. That committee should be, above all, impartial, which could not be expected if it were to be thus constituted. No one of the persons, with reference to whom the investigation was to take place, should have a personal friend on that committee, selected as such. It should be filled without any other reference to polititical considerations than enough to secure in its composition a due proportion of both parties. More than all, he was in favor of the committee consisting of men of standing and character before the country, in all the relations of life; and in every relation in which they might be called upon to act.

Mr. B. then alluded to the events of the Florida campaigns, and expressed his surprise that no attention had been called by the Executive to a war which has already cost the country nine or ten, and probably would cost twenty millions of dollars. It had not been thought worthy a single special Executive communication, nor a single hour's special deliberation on the part of Congress. Great calls for volunteers were incessantly making upon the different States, to concentrate a great force of some eight thousand troops upon the swamps of Florida to control from one to two thousand Indians and negroes; and has not the country a right to expect some sort of special information about this great land armament, raised and raising to meet the self-same enemy which was originally to have been quelled by some two thousand soldiers?

Mr. B. confessed to a large share of that feeling in this matter which was beginning to be aroused in the country. He represented an interest in a peculiar degree affected by the incidents of these campaigns. He could not but call to mind a gallant band of patriotic fellow-citizens from his own State, who volunteered, at the call of the Government, to co-operate in these wars, and who were led, a corps of mounted men, from their homes, at the most unpropitious season of the year, leaving their crops standing, from their firesides to the swamps of Florida. A plenty of time and abundant opportunity had been afforded, since the last campaign, to secure provisions and subsistence for the army; but yet, when these volunteers came to the scene of action, for want of provisions for themselves, and provender for their horses, they found their number thinning from illness, fatigue, and hunger—the campaign in which they had started abortive—and themselves obliged to go back again to their impoverished families. And is not this a fit cause for investigating those campaigns, the causes of their failure, and the reasons of their delay? Mr. BELL attributed much of this to the present most imbecile state of the army, which he described as a mere skeleton, unofficered, and needing filling up in every department. He mentioned several facts to prove this, and, among others, that after an engagement, in which one or two lieutenants had fallen, a sergeant was the only officer on the field left to co-operate with General Clinch: and he alluded with some particularity to several other errors, mistakes, and imperfections, in those campaigns.

Mr. WISE rose to correct an alleged error of the reports of his remarks upon his resolution yesterday, which appeared in the papers of this day. Holding the Globe in his hand, he read the passage referred to, stating, at the same time, that the same error, in substance, occurred in the Intelligencer.* It was not necessary, added Mr. WISE, that Gen. C. should actually lock the door—the threat operated full as efficiently as the deed would have done.

Mr. GHOLSON, of Mississippi, said he was indifferent in what form this investigation was proposed, whether as amended by the gentleman from Georgia, or as originally moved. He was in favor of it; but, at the same time, wished it to proceed according to the customs and usages of that House, and of all other legislative bodies. What, asked he, is the object of the gentleman from Virginia, in obtaining this investigation? A fair and impartial report? It would seem from the wording of his resolution, and the remarks with which he had sustained it, as if he wished the committee proposed to be formed out of the minority upon this floor. The gentleman had talked of a "stocked pack" as likely to emanate from the hands of the Speaker in appointing this committee; and proposed a plan by

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* The following note from Mr. WISE is published, in preference to any abstract of its contents, that, in so nice a matter, his corrected statement shall be made in his very words:

WASHINGTON, SEPTEMBER 22, 1837.

GENTLEMEN: The report of my remarks yesterday in the House, in reply to the honorable Mr. MUHLENBERG, contained in the Intelligencer of this morning, (the 22d,) is very inaccurate. I beg of you to correct one materially erroneous statement. I am reported as having said—"He (Gen. CAMPBELL) then turned to the door of the committee, locked it, and put the key in his pocket, and protested that he never would take it out until the offensive portions of that report were expunged." What I did say was—"He then turned to the door of the committee room, said he would lock it and put the key in his pocket, and no member should leave the room until the falsehoods of the majority report were corrected, and the offensive portions of it stricken out." He made the threat to lock the door, &c., but did not actually do so—the threat was as effectual as the deed. I will correct the report fully.

Yours, &c. HENRY A. WISE.

Messrs. GALES & SEATON.

which another "stocked pack" may be made up by the minority of the House. Mr. G. said he had no objection that the gentleman from Virginia, if he thought proper, should describe the scenes he witnessed in those "black holes," the committee rooms. He had no objection—only he thought that such descriptions would render the House careful not to appoint any more select committees. What does the gentleman call upon us to believe? A mere threat, thrown out by an individual member of a committee, deters the majority from their course. For one, he was much obliged to the gentleman for this startling disclosure. Who ever heard of such a one before, from any committee of this or any other legislative body? He supposed the gentleman would be satisfied if he could get such a committee, under his resolution, as would not require quite so much threatening, in order to make them go right. If the gentleman had such an opinion of the majority of this House, what should the latter be justified in thinking of the minority? He would have the light of Heaven let in upon the subjects to be investigated by this committee: so would he. But he would adhere to usage. No one opposes its scrutiny. Neither Whig nor Van Buren man had lifted his voice against it; and yet, like every thing else, it was made, at the outset, the excuse for the most violent philippics against the administration, and the party supporting it.

In view of the scenes described as having taken place in the committee rooms of certain select committees—of the usages of the House—and of the peculiar propriety of submitting such questions to appropriate standing committees, Mr. G. expressed himself in favor of referring the proposed inquiry to the Committee on Military Affairs, as moved by the gentleman from Maryland, [Mr. Howard.]

Mr. G. then adverted to what had been said by Mr. Wise of the majority report of the Select Committee, of which the latter was chairman, at the last session. That report, it had been said, was not written by the committee and was adopted by the majority without reading. Had the report of the minority been read in committee? It had been said by the gentleman from Pennsylvania [Mr. Muhlenberg] that it was not.

[Mr. LINCOLN rose and explained. There had certainly been a report read in committee, and signed by the three gentlemen composing the minority. As to the individual report of the member from Virginia, it had not been submitted to the committee.]

Mr. GHOLSON said it was that to which he had been alluding. He repeated, that he was in favor of the reference of the subject to the Committee on Military Affairs, (which, although composed of eight administration men, and one whig, and although he himself was a member of that committee, and did not know the name of another member on it, he would take this occasion to express his confidence, was composed of perfectly fair, honorable, and impartial men, capable to discharge any and every duty which might be imposed upon them.)

As to the damning blot on the country, so eloquently described by the gentleman from Massachusetts, [Mr. Cushing,] as having been inflicted by the incidents of the Florida war, Mr. G. confessed that he was unable to see any such blot. Was it, asked Mr. G., a stain upon the bright escutcheon of Andrew Jackson, that he was not able to drive a band of Indians from their swamps? He dwelt, too, at some length upon the charitable sympathy expressed by Mr. C. for the Indian tribes of the Southwest, as the victims of the policy of this Government, and recommended to him an increase of charity for the people of his own country, whose lives had been saved by the substitution of savages as the foes of savages.

Mr. CAMPBELL said he should not have arisen to address the House, had not allusion been made in the debate upon this subject to a gentleman to whom he bore a near relation. [He alluded to Gen. Campbell of South Carolina.] He did not rise to defend that gentleman, because he required no defence; but he would now state to the House that he believed that gentleman entertained the most kind feelings towards all the members of the majority of the select committee of the last session, and he imputed no dishonorable motives to the majority in consequence of the report referred to. He had heard that gentleman speak of the members of the majority of that committee in the highest terms. Mr. C. sincerely regretted that this unpleasant subject should be introduced before the House, and he hoped it might not again be alluded to, unless it was relevant to the matter under debate. With regard to the resolution, he hoped the inquiry might be had; but he was perfectly indifferent as to the manner in which it should be had. He cared not whether the object was attained through a select committee, or through the regular standing committee of the House. Our generals in Florida had not added to their laurals any of the evergreens which bloomed in that southern clime; but this was attributable to the nature of the country, and the description of the enemy. The country is without roads and without provisions, and it was injustice to attribute the failures of that campaign either to the generals, or to the gallant men who served in those campaigns, or to the late administration of the General Government. In justice to those distinguished commanders—in justice to the late administration—and in justice to the gallant men who perilled their lives in this service, this investigation should be had. The people require it, the national honor requires it, and the world should know why it was that a small and naked band of savages had been enabled so long to resist the power of the American army. The people of the Southern country should know why it was that they were so constantly called upon for volunteers and draughted ment o march on this unpleasant service. The mechanic should know why he had been called from his workshop, and the farmer from his plough, at an unseasonable time, to the loss of his crop, to pursue over the barren sands and through pestilential marshes of Florida—perhaps to fall a victim to disease, and perish an inglorious victim to that insalubrious climate, or perhaps to return toil-worn to his impoverished family. It is true, that the enemy are too weak and contemptible to excite any thing like a national feeling; but still the Seminoles, from their long stand for their independence, must excite the sympathy of every honorable bosom. They, however, cannot remain in independence, even admitting that they could make the Withlacoochie their boundary; and their only safety is in removal west of the Mississippi. Let them execute their treaty, and remove beyond the contamination of the white men, and there is still before them a future which may be a future of happiness to those unsophisticated children of nature. He trusted the result of this investigation might lead to a termination of this war, which had cost the Government much money, and been the means of the loss of so many valuable lives.

Mr. WISE rose to address the House in reply, he said, to the gentleman from Mississippi, when

Mr. CAMBRELENG also rose, and moved that the House proceed to the orders of the day. This motion was carried by 108 to 70, and the House went into Committee of the Whole, (Mr. Haynes in the chair,) and resumed the consideration of

THE FOURTH INSTALMENT BILL.

Mr. C. SHEPARD, of North Carolina, addressed the committee to the following effect: Mr. Chairman, it might perhaps, be thought more becoming in a young man, and a new member of this House, to listen to others who are more experienced in public affairs, and better qualified to give advice in this trying juncture. But as this question is of some importance to the people whom I represent,

and as I intend to confine myself to the real issue before the House, I hope that the committee will pardon me for this intrusion. On the 1st of January, 1837, the Treasury contained more than $42,000,000, and the act of June, 1836, came into operation and took effect on this specific fund; it ordered that $5,000,000 should be kept for the mint and contingencies, and that the remainder should be deposited with the States in four quarterly instalments. The language of ordinary appropriations was not used, but the particular money then in the Treasury, whether consisting of gold, silver, bank credit, or bank notes, was set apart and directed to a particular purpose. If by accident this fund had been destroyed, it would have been lost to the States, as the act did not constitute a general charge on the Treasury; but it was the duty of the Executive to effectuate the intentions of Congress, and no officer ought to have used this money for any other object than that to which it had been appropriated. Four or five millions, however, of the fourth instalment, have been expended, not for the army, nor the navy, nor the civil list, as the receipts for the first half of the year 1837 were sufficient for these, and the Secretary advises us to withhold the payment of the entire instalment because the remainder of the fund is unavailable, and there is a deficiency in the Treasury.

A large portion of this money is in the banks of Michigan, Indiana, Mississippi, Alabama, and Louisiana, and is unavailable because these institutions refuse to pay specie, and are not able to accommodate their creditors with drafts on the Atlantic cities. When it is remembered that twelve months ago the public money was marching about the country on pack-horses and in transfer checks, and the whole monetary system was thrown into disorder, under the pretence of preparing for the distribution to the States, it is amazing that the Secretary should have permitted these banks to have on deposite so much more than their respective States were entitled to. But, sir, if this bank credit be unavailable, the passing of the bill will be useless: it cannot relieve the wants of the Treasury, and it would be most advisable for the Secretary to fulfil the act of 1836, and let the parties chiefly interested make their own arrangements.

If there be a deficiency in the Treasury, and this money which was promised to the States could be used, it is not proper that it should be withheld. They did not petition Congress for this boon; several of them, indeed, were opposed to the policy of the measure, and were partially forced into the acceptance of their shares; but after they have been led to expect this fund, and have commenced works of internal improvement, have founded schools and seminaries, and made other expenditures of local importance, it is not just that they should be disappointed. This is not a contract which could be enforced in a court of justice; but as the Governments of this Confederacy were erected for the benefit of the people, they should act towards each other with good faith and the strictest honor, in order that confidence and harmony might be permanently established. If this instalment be not paid, some of the States may be compelled to create stock and make loans to comply with their engagements; and here, perhaps, might be another source of derangement in the money market of the Union.

An honorable gentleman from Kentucky has suggested that the bonds of the Bank of the United States should be sold to supply the wants of the Treasury; these bonds would probably be sought after in London or Amsterdam, and their sale in Europe would have a tendency to lower the rate of exchange, and hasten the return to specie payments. As the Government has been hostile to that institution, and is anxious to be freed from all connexion with banks, this plan of relief is not only feasible, but ought to be satisfactory to the Executive. If this be not agreeable, let us fail to carry into effect the extravagant appropriations of the last Congress; let the salaries of all the officers of this Government be reduced; let us return to the simplicity and economy of our predecessors, until we again have a redundant Treasury.

Some gentlemen were in favor of this bill because it is not constitutional to levy money to be distributed among the States. No man ever claimed this power for the National Government. The surplus revenue has arisen from the sale of the public lands, and the "deposite bill" is the fairest and most equivalent mode of division.

No patriot would attempt to disturb the "compromise act;" and if commerce revives, the revenue must be greater than a frugal Government can expend; and it would be wiser to anticipate our future income in the payment of this instalment, than to place in the hands of any Administration a large amount of money. It will be used for selfish purposes; more offices will be created; salaries will be increased; and every effort will be made to sustain parties at the expense of the people; or the scramble for appropriations will again commence on this floor—harbors for particular sections, and to improve private property; creeks and rivers, never before heard of, will again put in their claims for national patronage. Sir, in this contest for the public money, alike degrading to the Representative, and corrupting to the people, North Carolina would get but little; therefore, if it is collected, and is not wanted for the constitutional purposes of the Government, common sense and common justice demand of me to support an equitable distribution. But is there a deficiency in the Treasury? The honorable gentleman from Tennessee has made a lucid statement, from which it would appear that the Government has ample means; the Secretary has sent us his report; the members of "the Ways and Means" have made theirs, and they all disagree in the conclusions at which they arrive. I also have made a calculation, but as older heads have differed, I shall not trouble the House with my arithmetic, and I shall content myself with the belief that there is no need of this bill, until it is proved more satisfactorily.

Several gentlemen have indulged in sarcastic remarks on the Secretary of the Treasury. It would be unbecoming in me to follow their example, but I must say with due respect to that officer, that he draws largely on the patience and generosity of the American people. This country is free from debt, its citizens are industrious and enterprising, they have been blessed with fruitful seasons, and yet they have been suddenly arrested in their career of prosperity, without foreign war, without the occurrence of extraordinary calamity. The schemes of the financial officer have signally failed, and he now comes up to this House to propose the abandonment of a cherished policy, the creation of a new debt, and a novel experiment on the resources of the country. Sir, if, under these circumstances, a Chancellor of the Exchequer had opened such a budget as this to the British Parliament, he would have been scouted, and the King's ministers would have thought themselves well off to have saved their heads. But here, in this boasted land of intelligence, the people suffer from the knavery or ignorance of their rulers, and many again submit to the yoke of party, and permit themselves to be again wheedled by artful appeals to their passions and prejudices.

But, sir, I have departed from the subject. I rose merely to express my dissent to the bill under discussion, and to state what I consider the feelings and interests of North Carolina. When the great questions involved in the President's message are properly before us, I may again trouble the committee with a few remarks.

Mr. SIBLEY, of New York, said: Mr. Chairman: If, on presenting myself to the committee upon the present occasion, I should say that they who sent me here were directly and deeply interested in the question now under

consideration, I should but put forth a common yet a sufficient apology for detaining the committee by such remarks as I should offer. If to this I add the expression of my deep conviction, that the decision of this question involves the faith and honor of the Federal Government, for good or for evil, I shall perhaps have said enough to justify the most humble member of this body in contributing to the prolongation of a debate which has already occupied the committee so many days.

In what he had to say upon this question, he would confine himself, Mr. Sibley remarked, as strictly as possible, to the subject immediately before the committee. It was his intention to avoid all agitation of the exciting political topics which characterize the party divisions of the day, and which, suitable as they may be for discussion elsewhere, do not come properly within the range of the question now before the committee.

And he remarked that he had yet another conciliatory assurance to make in the commencement of his remarks. It was not his intention to invite the committee to thread again that worse than Cretan labyrinth, as it seemed to be viewed by some minds, the Treasury report. After so many honorable gentlemen had tried every possible process of distillation by which they might have hoped to extract the true spirit of that document, Mr. S. said he certainly could not pretend to an acquaintance with any financial alchemy, by which its suspended meaning could be precipitated. So far from this was the fact, he found himself constrained to make a confession, which might, perhaps, seem a humiliating one, that he was among that large and unfortunate class, composed alike of the political friends and opponents of the Secretary, who had been free to avow their inability to understand that report. True was it that he had tasked the best powers of his mind, and applied much patient and anxious study to the document, and yet, like most other gentlemen on that floor, he remained in painful and perplexing doubt whether he accurately comprehended the meaning of its author, or understood the actual condition of the public Treasury. For himself, he would not say—it did not become him to say—that this was the fault of the Secretary. This he could hardly do, after the high and unqualified eulogium pronounced upon that functionary by the honorable member from New Hampshire, [Mr. Atherton.] That gentleman, in his speech of yesterday, had exhibited the honorable Secretary of the Treasury, before he left his native State, as the very focus of all learning, forensic, judicial, and political. Having thus concentrated all oriental light, and then removed it from its candlestick in the east to this Capitol, Mr. S. was not surprised to hear that nothing remained behind save those *ignes fatui* which the honorable gentleman assured us had recently beguiled the good people of that benighted region from the "true democratic course."

In view of all this, Mr. Sibley said he had not left him the poor consolation of being able to attribute the obscurities in which his own mind had been involved by the report to any want of illumination at its source. He would not say that no light shone through the pages of that document, but he must be permitted to remark that, if such light there was, "the darkness comprehendeth it not."

Mr. S. went on to say that much industrious ability had been displayed by gentlemen who had preceded him in attempts to illustrate a document which ought to be so plain that "he who runs may read." The gratitude of the committee was certainly due—his own was cheerfully tendered—to those distinguished members, for their efforts to disentangle the committee from the perplexities thrown around them; and yet, sir, (he remarked,) notwithstanding the toil and talent which have been lavished in all those calculations, and in the formation of those statistical tables, by way of elucidation of the report, that document seems absolutely to mock investigation; and we, sir, remain much in the condition of those metaphysicians whom Milton has so graphically described as ever reasoning on,

"Finding no end—in wand'ring mazes lost."

It had occurred to Mr. S., in the course of the debate, as quite possible that the curiosity which impels highly-gifted and inquisitive minds to pursue with eagerness deep and mysterious subjects, may have led some gentlemen to overlook the more obvious and important questions for our decision, in their search after the obscure and less essential.

This question had been treated as if the Federal Government were alone interested in a just decision; and the inquiry had been chiefly confined to its means and convenience. Gentlemen seemed to have overlooked the important fact that there were other parties not represented here, who have a deep stake in this matter—the sovereign States of this Union.

Sir, (continued Mr. S.) what questions naturally arise in the mind of every honorable and ingenuous man, who is called to act upon the rights and interests of others? The first great question always is, or always should be, what are the relative obligations and duties of the respective parties, and how will the proposed measures comport with good faith and fair dealing? Duties and responsibilities being ascertained, means and convenience are made to conform to them. But, instead of adopting this rule of conduct, are we not setting ourselves to the task of proving that it is not convenient to do what is required of us, and thus naturally and imperceptibly gliding into the conviction that we are not bound to do it? States and nations are theoretically supposed to be exemplars of the highest systems of moral justice. And does it become them, in their intercourse with each other, to adopt a lower standard of action than that maintained by individuals in carrying on the general business of life?

Mr. S. insisted that the first and great question for the House to decide, as a co-ordinate branch of the Federal Government, was this: What are the obligations resting upon Congress, in the relation which it holds to the several States, for the payment of the fourth instalment, under the deposite act of 1836? Has our past action raised just and reasonable expectations on the part of the States that this money would be paid; and have those expectations led to important arrangements by the States, deeply and seriously affecting the interests of the people? If so, then have obligations and duties been imposed upon us which could not be disregarded without violating the faith of the Federal Government, and fixing a stain upon the national honor. That our position in this matter might be clearly seen, it would only be necessary to recur to the law of Congress for regulating the deposites of the public money, passed on the 23d of June, 1836, and to the action of the several States consequent upon that law. By the 13th section of that statute, Congress declared that all the money which should be in the Treasury of the United States on the 1st of January, 1837, (reserving the sum of $5,000,000,) should be deposited with such of the States (in proportion to their representation) as would agree to receive the same, and pledge its faith for the safe keeping and repayment of the money, in instalments not exceeding thirty thousand dollars per month, upon thirty days' previous notice. The sum being in the Treasury on that day was directed and required by the law to be so deposited, in four equal instalments, on the first days of January, April, July, and October, 1837.

Under this law, it became the duty of the Secretary to ascertain the amount of money in the Treasury on the 1st day of July, 1837, and to communicate that amount, together with the law which appropriated and fixed the destination of the money, to the several States, as an entire proposition for their acceptance or rejection. This duty was performed by that officer, as appears by a communica-

tion made by him to Congress in January, 1837, in which he says: "I seize the earliest occasion to inform Congress of the measures adopted by this Department since the 1st instant, in compliance with the 13th section of the act regulating the deposites of the public money."

"The balance in the Treasury on that day, which was subject to be apportioned among the several States, has, on the principles of the act, as construed by the Attorney General, and explained in my last annual report, been ascertained to be $37,468,859 97.

"The division of this money in detail among the several States may be seen in the document annexed, (marked A.)"

That document (continued Mr. S.) shows the distributive portion accruing to my own State (New York) to be $5,352,694 28.

It had been said, by the friends of this bill, that the law of June, 1836, did not propose to deposite a sum certain. The maxim that that is certain which may be rendered certain, is a sufficient answer to such an objection. Besides, the sum designated by the law was actually rendered certain in the manner contemplated by the act, as appears by the statement of the officer charged with that duty.

The proposition, then, made by the Federal Government on the one part, to the Government of the State of New York (equally independent, and as competent to contract) of the other part, was, in substance, this: We agree to deposite with you, for your use, the sum of $5,352,964 28, in quarter-yearly instalments, if you will agree to receive that sum and safely to keep and repay it, when duly demanded, by instalments not exceeding thirty thousand dollars each, upon thirty days' previous notice of each instalment.

What was the response of New York to this proposition? Did she say that she would receive, safely keep, and return any fractional part of the stipulated sum—as one-half, or three-fourths? No, sir! (said Mr. S.) She accepted your proposition, and your whole proposition, in all its parts and proportions. You tendered her an entire contract, the essence of which were, the amount to be deposited, the times of deposite, and the terms and conditions of re-payment. She closed with you upon that contract, in all its length and breadth, and has never assented to change or modification. In January, '37, the Senate and Assembly of that State, representing its sovereignty, "struck hands" with this the Federal Government, and plighted, in solemn form, its faith, and the honor of its people, for the performance of those terms, which, being accepted, drew after them reciprocal obligations of faith and duty on your part. Did New York place reliance upon that faith? Judge of her confidence by her conduct. Mindful of your interests, and her own obligations, she made prompt provision by law for the safe investment of every dollar of the money you had so proffered for her acceptance.

In full reliance on your fidelity to engagements, she apportioned the entire sum among her people, and sent out her loan officers into the several counties to pay over the amount actually received, and to issue authorized and official certificates for the payment of the balance. These officers have performed their duty. They have lent the whole five millions, and for the security of its re-payment have taken bonds and mortgages. And while we are here debating whether this last instalment (amounting to nearly a million and a half of dollars, appropriated to the State of New York by the act of 1836, and actually in the Treasury of the United States last January,) be now any where in existence, the mortgages of the landholders of that great State are duly executed and recorded, for securing the "safe-keeping and employment" of that identical money, according to the terms and conditions of your contract.

There exists, then, (continued Mr. S.,) a contract, compact, or agreement—call it what you will—deliberately formed between independent sovereignties, under all the sanctions and solemnities used and approved by the high contracting parties, each of which has entered upon the execution of the contract, and assumed all the liabilities contemplated by it. It is now proposed by one party to this agreement, without the consent of the other, to set at naught some of its essential provisions. This, it is urged, may be lawfully done, because our engagements are not upheld by a valid consideration; and the genius of the old common law is invoked and thrust between this Government and its just accountabilities. Sir, it will be time enough for the Federal Government to seek refuge behind the narrow and technical rules of the common law when she acknowledges its jurisdiction over her, and consents to become a party litigant before our judicial tribunals, and yields obedience to their mandates. But while she stands aloof from all these, a law unto herself and a fountain of law unto others, it does not become her to entrench herself behind the defences of a system to which she does not acknowledge subjection.

But the duty enforced upon the opponents of the bill now before the committee, the duty, namely, of arguing the question involved in this debate, as if in a court of common law, must, Mr. SIBLEY presumed, be performed, whether humiliating or not. This difficulty of a want of consideration had been thrown as a stumbling block in the path of the committee, and it should be his purpose to remove it if possible. That there may not be any misapprehension about the import of terms, it might be proper in the first place to inquire what is meant by "want of consideration?" What is that essential element of a contract, the presence of which is necessary to give it vitality? It is presumed that the word is not used by gentlemen supporting the bill in its broader and more general signification, as the inducement or motive or human action, but in its strict technical sense, as the pecuniary advantage requisite to the legal validity of a contract, as contradistinguished from nude pact. To illustrate the meaning of the term, in this application of it, Mr. S. would quote himself, but would resort to the unequivocal and authoritative language of the highest judicial tribunal.

[Here Mr. S. read authorities, showing that, if the performance of an agreement between two parties might involve hazard, service, or expenditure, to one party, and pecuniary advantage to the other, such agreement contained a valid legal consideration; the slightest degree of pecuniary advantage being sufficient to create such consideration.]

Mr. S. then proceeded. Applying these plain principles to the arrangement which was entered into between the General Government and the States, can any one fail to perceive that it contained all the attributes of a strictly legal and technical contract.? What were the facts? The Federal Government found itself the owner of an immense surplus, scattered among innumerable local banks, of limited capitals, and some perhaps of doubtful responsibility. These corporations, prompted by the semi-authoritative encouragement of the late Secretary of the Treasury, and stimulated by the desire of gain, were flooding the country with issues, and bloating it with a seeming prosperity. In this state of things it was deemed wise and prudent (and so it undoubtedly was) to withdraw our immense revenues from these questionable depositories, and place them where they would be safely and securely kept, and returned when wanted, upon the prescribed terms. Sir, did not this condition of things present the strongest possible inducements for the new arrangement? Is not the safe-keeping and prompt return of your immense treasures a direct pecuniary advantage to this Government? Let the groans which have issued from the "white house" and from the head of your financial department—let the bills which burden your table, and the scenes in which we are now engaged an-

swer the question. Sir, had your revenues been deposited as they were collected with the States, instead of being poured into the laps of your "pets," to be by them distributed in largesses to their pets, we should have been spared this black list of millions upon millions of "unavailable funds," a list, it may be remarked, which would have been vastly augmented but for that very law which we now hear stigmatized as a nude pact.

Such were some of the pecuniary advantages, which, according to Mr. S., the Government had derived from her participation in this contract. But, continued he, turn to the States: take New York, for example. Did she not encounter pecuniary "hazards" when she assumed the responsibility of the "safe-keeping and repayment" of upwards of five millions of your money? Are you quite sure that she will sustain no loss when the time comes for gathering in and paying back this immense sum? Did not New York perform a valuable "service" to this Government when she took upon herself the duty of safely investing so large a share of your surplus revenue? And has she not already made large "expenditures" in performing this service, in legislation, the payment of officers, investigating titles, recording securities, and in various other forms which cannot be estimated? I would not be surprised, sir, were the aggregate expense to the Government and people of my State, consequent upon the execution of their part of this contract, to amount to $200,000. And it should be observed that no additional charges of this nature would be required upon the payment of the money now proposed to be withheld, the investment of it having already been made, so that, so far as New York is concerned, beneficial uses could alone flow from the payment of the instalment now due.

Mr. S. had dwelt at such length upon this dry subject, with the hope (a presumptuous one, he feared) of dissembarrassing the subsequent debates upon the bill of a needless difficulty which had hitherto greatly encumbered and retarded their progress.

He (Mr. S.) would task the patience of the committee while he attempted to controvert some other positions assumed by the friends of the bill, which seemed to him equally untenable with that already considered.

It is insisted by gentlemen (said Mr. S.) who do not seem quite prepared to regard the engagement of this Government as an absolute nullity, that the bill only proposes to effect in one way what, by the express terms of the contract, might be done in another. "If," say these gentlemen, "we can withdraw the money actually deposited with the States, why may we not withhold that which remains in our hands? It cannot make any difference with the States, and they can have no objection." If he (Mr. S.) had succeeded in proving the binding force of the contract, then even strict constructionists must see that they had no more power to alter or modify, than revoke or rescind, an entire contract, without the consent of all the parties in interest. Was the sovereignty of the State of New York represented on this floor, and consenting to this course, no objection would then exist to the proposed new arrangement. But no right appertains to the representatives of portions of that State, in this House, to negotiate for a new bargain. They did not come here clothed with that power. It belongs to the Legislature of the State of New York, in Senate and Assembly convened, to whom alone it is delegated.

But the proposed change is not by any means immaterial to the people of that State. True, Congress may recall the money deposited, but how? Look at your statute! Thirty thousand dollars is the utmost that can be withdrawn in thirty days. If the bill on the table becomes a law, upwards of $1,300,000 are withheld. Now, pay over that sum, then withdraw all the law permits, and, by the interest on the balance, a calculation might be made of the immateriality of this measure to his constituents. Besides, what security have they that as soon as you have determined to withhold what is due to them, the pressing necessities of this Government may not impose upon it the painful duty of recalling a portion of the deposites? Mr. S. had no confidence—he could not have any confidence, that an administration, whose appetite for money had not been gorged upon forty millions a year, would stay its hand until it had clutched every dollar within its reach.

He called the attention of the committee to the condition of the country—to the fact that contracts had been made between the States and their people; between citizen and citizen; that public works had been undertaken, laborers employed, systems of improvement and education undertaken or expanded, and the manifold affairs of men arranged upon the basis of the deposite law. Was it wise or just—was it not cruel and perfidious, to throw derangement, disappointment, and confusion into all those relations of society? The country was staggering under revulsions. Ought it to be stricken again, without allowing it time to rally and stand erect?

It had been said that none of these disappointments, or derangements could reach the people of New York, because their expectations were to be met from their own treasury.

It was true that the financial head of that Government had resolved, during the recess of the Legislature—as if the passage of this bill had been predetermined—to put forth its resources in such an emergency. But what funds does that officer propose to substitute for the money which the Federal Government had engaged to deposite in his hands? The revenues of the Erie and Champlain canals, of course. These are the ready resort in all cases when money is wanted for any purpose. Those funds ought to be dedicated, he could almost say consecrated, to the perfection of that system of internal improvement devised for New York by her immortal statesman, and prosecuted by the energies of her people, until it had placed that State upon the proud eminence she holds among her sisters of the republic. In a certain contingency, not unlikely to happen, these funds might be required to complete the enlargement of the Erie canal—a work already begun, and in the rapid completion of which western New York particularly had a deep interest. The sooner that work was done the sooner would the prices of transportation upon it be reduced; and as the cost of transportation was chiefly borne by the producer, every farmer throughout the extended region which sends its productions to the seaboard, upon that great channel of trade, had a direct interest in the question here pending.

The friends of the New York canals would never have consented, upon the direct proposition, to the distribution of nearly a million and a half of her canal funds amongst all the towns in that State; and they cannot, consistently, vote for a bill which must, if it becomes a law, produce the same result.

That money, if it shall be required for the purposes of the canals, can only be recalled by a vote of the Representatives from all parts of the State. When that question arises, antagonist interests may come along with it, and the restoration of the money, so scattered throughout the State, might encounter serious, if not successful, resistance. In the latter event, the deficiency could only be supplied by continuing or increasing the high tolls of the Erie canal.

Mr. S. represented a district almost exclusively agricultural, bordering upon the Erie canal; and it was his forecast of the possible consequences of this measure upon interests confided, in some degree, to his care, that had overcome an almost invincible reluctance to throw himself upon the indulgence of the committee.

He would not grope in the thick darkness of the report of the Secretary of the Treasury to find out by it whether

he had the funds to pay the fourth instalment. These funds were in the Treasury on the first day of January last, for we had his official statement of the fact. Being in the Treasury, they were solemnly set apart, and appropriated to the States by Congress, and it could not be admitted that they had been applied to other uses without implying mal-administration in that Department.

But if your engagements cannot be otherwise fulfilled, suppose you retrench some of your enormous and useless expenditures, and cut down the extravagant salaries of some of your officers? Such a course, whilst it preserved your honor untarnished, would be one step, at least, towards that system of "retrenchment and reform" so loudly vaunted by the late administration, and would harmonize with those lessons of economy so gravely read to the people by the Executive head of this. Duty and consistency unite in demanding that this Government should begin to give the sanction of its example to its precepts. It had dealt out quite enough paper currency of that sort; and it was high time that the promises were redeemed in the precious metals.

Mr. S. concluded by repeating his conviction that the bill could not pass without a violation of plighted faith, and that the Federal Government was bound to fulfil its engagements to the States, not only by the stern rules of the common law, but by the higher precepts of moral equity and the immutable principles of justice.

Mr. CUSHMAN rose and said, that, considering the position which he occupied in the last Congress, relative to the subject now under consideration, he hoped the committee would indulge him while he made a few remarks. The gentlemen who opposed the passage of this bill (said he) do it upon the ground that the law of June, 1836, was a contract made by the United States with the several States, by which the General Government is bound to deliver to the several States, in four equal instalments, their due proportion of all the surplus revenue which should be found in the Treasury of the United States on the first day of January, 1837, save five millions. On the passage of the bill regulating the public deposites, I recorded my vote in the negative, therefore I shall be excused if I contend that, both in letter and spirit, that law is merely to regulate the deposite of the surplus revenue of the United States, and not a contract by which the United States would be legally and morally bound to pay money to the several States, whether that money is in the public Treasury or not. If it be true that the United States are legally as well as morally bound to deliver over the fourth instalment therein mentioned to the several States, according to the declarations which have been made, over and over again, by gentlemen upon this floor, then I acknowledge that I have been wholly mistaken as to the provisions of that law. Gentlemen say that it is a contract which could be legally enforced in a court of justice, if the United States were amenable to civil process. If so, this bill to withhold the fourth instalment ought not to pass. Nay, more, sir; if there be any moral obligation resting upon the General Government to deliver over or deposite this money to the several States, then it ought not to be withheld; for, when we legislate, we should do it upon principles as far above all legal liabilities as the heavens are above the earth.

I contend, however, that the deposite act is not such a contract as has been pretended. It is a mere gratuity, which cannot form the basis of a legal contract. Neither does it lay the United States under any moral obligation to deposite money with the several States which she does not now possess. Suppose, sir, that one individual should say to another that he would make him a present of a certain article, at a certain time and place; and suppose, further, that article should be accidentally destroyed; would that individual be under any legal, or even moral obligation to perfect that benevolent design? No, sir, there is not a gentleman on this floor who will contend for the fulfilment of such a promise, upon the ground that it lays the foundation of a legal contract, which can be enforced by suit at law.

Again, sir; suppose one individual should say to another that he had in the hands of his agent the sum of fifty thousand dollars, for which he had no present use. This sum you may have, with all the benefits you can derive from it, until he should be under the necessity of calling for it; when he should return it to the owner. And it is further agreed, that the same shall be delivered over in four equal instalments, in one, two, three, and four months. Now, suppose, sir, three of the above instalments to have been delivered over agreeably to the above-mentioned promise, but before the time arrives for delivering the fourth instalment, the gentleman who made the proposition is visited by some unexpected calamity; his property ingulfed in the ocean, or fire may have consumed to ashes his dwellings, by which calamity he is wholly unable to complete his original design. Is here such a contract as could be legally enforced in a court of justice? Would there be even the slightest moral obligation resting upon that individual, after having been providentially deprived of the means of fulfilling his design, to hand over the fourth instalment as above mentioned? No, sir, every gentleman must be compelled, if he intends to abide the truth, to answer this question in the negative. The person to whom such an overture was made would not have the hardihood to assert any such claim. He could not look his friend in the face, and tell him that he was guilty of a breach of faith. No, he would blush to make a charge of that sort.

Mr. Chairman, in the case as above supposed, I have given you, as I think, a very fair exposition of the deposite law of June, 1836. That law was to regulate the deposites of the surplus revenue of the General Government. Three instalments of that surplus have been delivered over to the several States, agreeably to the requisitions of that act; but before the time had arrived for transmitting to the States the fourth instalment, she finds her financial affairs in such a situation as to leave her without any surplus to deposite. How can there be any legal or moral obligation on the part of the United States to deposite a surplus revenue which she does not possess? It is folly as well as madness to make any such pretensions.

I will now bring to the consideration of the House what I consider to be a test question upon this subject. Let it be admitted that on the first day of January last the Secretary of the Treasury, in pursuance to the requisitions of the deposite act, ascertained that there was then a surplus revenue of thirty millions to be deposited with the States. Now suppose that on the day following the whole of that sum had been annihilated. What then? Why, forsooth, according to the arguments of learned gentlemen upon this floor, the United States are not only legally, but morally bound to incur a debt to that amount, for the purpose of fulfilling her contract with the several States; that is, the United States must create a debt in order to create a surplus to deposite with the States. This would be an absurdity; for the creation of a debt shows the want of a surplus.

I entreat gentlemen not to compel the United States to borrow money to deposite. I implore them not to tax the people for any such unholy purpose. Is there any individual in the community who would be guilty of such gross folly as to borrow money of one bank for the sake of depositing it in another? No, sir, no one save a madman can be found. The same course by which a prudent individual would be governed in managing his financial concerns, should govern Congress in the present question. I again repeat, therefore, for the United States to borrow money to meet the fourth instalment under the deposite act of

June, 1836, would not only be an act of gross injustice to the people, but an act of the grossest folly.

Mr. HOLSEY said he was in favor of the bill under discussion, so far as it proposed to withhold the fourth instalment from the States. A crisis has arrived (said Mr. H.) when this Government has need of all its treasure. It has no longer the ability to dispense bounty to the States in the form of deposite of a surplus fund. It has no surplus. Nay, more, sir, if every dollar of the fourth instalment be withheld; if it were all available in the hands of the Secretary of the Treasury, it would not enable him to defray the necessary expenditures of the current year and provide a proper fund for the use of the mint and contingent calls upon the Treasury. But one year since, sir, the coffers of this Government groaned beneath their superabundance, and your councils were perplexed as to its disposition. The stream of your revenues, instead of being confined within the channels marked out by the hand of the constitution, has overflowed its banks with a flood that could not be drained by the wildest and most extravagant appropriation. It was diverted to the States, to be again returned, when demanded by the exigencies of the nation. But, before the last portion of the surplus has reached its destination, the fountains of your prosperity have been dried up; your accustomed supplies are cut off; the wheels of the Government revolve slowly on their axles, and, unless that portion of the revenue originally designed for the States be now brought to bear upon them, will soon come to a pause—a pause, Mr. Chairman, which no man who loves his country can for a moment contemplate, and which must inevitably happen, but for the adoption of the measure now under consideration.

Sir, we have strong appeals to the faith of this Government to fulfil the expectations of the States, founded upon the deposite act of 1836. I deny the obligation. I can safely appeal to the virtue and intelligence of the people, and ask whether they desire for State purposes the money collected by this Government, when it is necessary for Federal purposes? Is the fund necessary to meet the wants of the Government? This is the question. Let us refer to the report of the Secretary. This report has been condemned by the opponents of the bill as mysterious and incomprehensible. Be this as it may as to the details, the aggregate of means and liabilities is set down so plainly that "he who runs may read."

The amount of means in the Treasury for the current year, in round numbers, is twenty-six millions of dollars, exclusive of the nine millions due under the fourth instalment, and which is not a part of the income of the present year. The amount of expenditure, by virtue of appropriations, is thirty-two millions, leaving a balance of six millions against the Treasury, or a deficit to that amount. This debt of six millions cannot be paid except by a resort to the fourth instalment, or to those transfers which have already been made with the States. Shall we give them the fourth instalment in the left hand, and draw from them with the right, under the provisions of the deposite act? It is more easy to deposite money with the States than to collect it from them. Sir, the process of collection will be fraught with delays, dangers, collisions, between the two Governments, which will leave your Treasury totally unable to pay the appropriations. It is already announced in this hall that the deposites with the States are a gift to them. Many of the States have made permanent investments of this fund. Some have deposited it with banks, to be loaned to the people. All will feel reluctant to return it. If we might judge from the tone of debate, some of the States would, as their representatives have done, attempt to "argue the seal from the bond," and prove the loan to be a gift. The difficulty is inherent in the nature of demands upon political bodies; the same which existed under the Confederation. Some will refuse to pay under colorable pretexts, and none will pay without all will pay! We must, therefore, discard the idea of drawing upon the States for the funds already on deposite with them. The only expedient left is to arrest the nine millions due under the last instalment. This amount in the deposite banks will not, in all probability, cancel the debt of six millions. Indeed, the general and signal failure of those institutions to comply with their engagements renders it doubtful whether any considerable portion of it can be collected. But as far as this fund can go to defray the expenses of the Government, it should go. It is not legitimate to divert it to any other object. But six millions of excess of expenditure is a minimum point; one to which all will, and, I believe, have agreed.

But the honor of our arms must be sustained in Florida, and its bleeding inhabitants protected against their savage enemies. One million and a half of dollars is estimated for this purpose during the present year. The present session of Congress will cost half a million. These two amounts are not put down in the report, and increase the excess to eight millions. If to this you add four millions at the end of the year, for the use of the mint, and contingent calls upon the Treasury, you have an excess of expenditure and liabilities amounting to twelve millions of dollars. Can any gentleman equalize the income and expenditure of the present year? Will he strike a balance between the means and liabilities of the Treasury? The gentleman from Tennessee [Mr. BELL] has indeed discovered a new and singular method of replenishing an exhausted Treasury—by considering the money in the hands of disbursing officers (five millions) as an increase of the means of the Treasury beyond the items already enumerated in the Secretary's report. I am surprised that a gentleman of his experience in financial matters should fall into such an error. At the commencement of the year, the Secretary, being required to calculate the amount in the Treasury, found forty-two millions remaining after reducing the outstanding appropriations to sixteen millions. The money then in the hands of disbursing officers was then justly considered as money paid out of the Treasury, and reduced the outstanding appropriations precisely that amount; which otherwise would have been twenty-one millions, supposing five millions to have been in their hands. Of the forty-two millions there are nine millions remaining for deposite with the States, five millions reserved, one million six hundred and seventy thousand received from banks, and twenty millions from lands and customs.

The account will stand thus:

Means—	
Remainder of the surplus, - - -	$9,000,000
Reserved for use of mint, and on 1st January last, - - - - -	5,000,000
Returned from banks, - - -	1,670,000
From lands and customs - - -	20,000,000
Making an aggregate of - - -	$35,670,000
Liabilities—	
Fourth instalment to the States, - -	9,000,000
Appropriations for 1837, - - -	32,733,000
Making an aggregate of - - -	$41,733,000

The excess, in round numbers, is six millions of dollars. Now, the argument of the gentleman from Tennessee would add the five millions in the hands of disbursing officers to the means of the Treasury already enumerated, and increase them to forty millions. But all the possible sources of revenue have already been placed in the account, and the money in the hands of disbursing officers, instead of swelling the amount, only shows where it is. As well might the gentleman add to the means of the Treasury the funds in the hands of collectors, receivers, and the officers of the mint, and the whole amount to the credit of the Treasurer

in the deposite banks. The truth is, that the aggregate means of the Treasury is one thing, and the manner in which they are kept or disbursed is another. The one gives you the whole amount of revenue, the other tells how it is disposed. But the gentleman from Tennessee complains of the extravagant expenditures of thirty-two millions for the present year. He has been requested by the gentleman from South Carolina [Mr. PICKENS] to bring in his bill to repeal the objectionable items. The request is reasonable. Does the gentleman from Tennessee expect, by a general denunciation of those appropriations, to alter the data upon which the income and expenditure of the Government are founded, and thereby to lessen the acknowledged deficit of six millions? The Secretary of the Treasury, in obedience to a call from the House, has already stated that an exact and scrupulous investigation has been made in relation to such appropriations, the execution of which might, consistently with the public interests, be deferred until the ensuing year, and that the amount thus deferred is fifteen or sixteen millions of dollars, leaving the necessary and indispensable expenditures of the present year, as stated in his report, thirty-two millions, and the outstanding appropriations sixteen millions.

It has already been shown by the gentleman from North Carolina [Mr. McKAY] that the increased amount of expenditure of the present year is owing mainly to extraordinary, but necessary, objects of appropriation: such as the Florida war, the increase of the pension list, and the execution of treaties with various tribes of Indians, among which is a treaty with the Cherokees which will probably demand, within the present year, one million of dollars. The gentleman from Pennsylvania [Mr. BIDDLE] has taken occasion to strike this item from the list, upon the ground that it was appropriated for the last, not the present year. Why, sir, does not that gentleman perceive that it matters not when the appropriation was made, so far as the argument is concerned? It is not the time of appropriation, but of expenditure. The appropriations may have been made one, two, or four years back; but if their execution fall upon the present year, they are properly chargeable to it. The gentleman from Tennessee who, on this occasion, stands forth the advocate of retrenchment, will not reduce even the basis of calculation, until he can lay his finger upon the items, and embody them in the form of a bill for their repeal. Vague surmises of prodigality in an administration are at all times insufficient as a basis of legislative action: they are peculiarly so after "an exact and scrupulous investigation" into objects that may be dispensed with by the officer charged with the inquiry. Much, then, as the gentleman from Tennessee has held out retrenchment as an argument to show the ability of the Government to meet its necessary expenditures, and, consequently, to defeat the passage of this bill, I am pursuaded that the lines of a strong necessity are drawn around the thirty-two millions assigned for the present year, and that reform will be driven to the field of outstanding appropriations to fight her battles. In such a field, neither her alarms, her victorious shouts, nor her dying groans, will affect the exigencies of the present moment. They meet us every where, in a form that none can palliate or deny; and it is our duty to the constitution and the country to meet them by a prompt application of the revenues yet in our hands. But, Mr. Chairman, it has again and again been reiterated in debate, by gentlemen who have opposed this bill, that the deposite act of June, 1836, was a compact with the States which this Government is bound to fulfil. Although I repudiate the doctrine of legislative contracts, except in cases where it is expressly so stipulated on the face of the act itself, or vests the right of property by grant, yet I am willing, for the sake of the argument, to consider it a compact. I adopt the fundamental rule insisted upon by all who have argued this question—the intention of the contracting parties. But I insist that the act of June was founded upon the idea of a surplus beyond the wants of the Government. The Congress which passed the act intended only to deposite a surplus revenue. The States intended to receive it only as a surplus. This feature is stamped on the act by its history—by the declaration of many of those who passed it, often repeated on this floor. Sir, believe me the American people consider it in no other light; not as a specific amount, regardless of the wants of the Treasury, but simply as a transfer of the public treasure from the banks to the States, as being safer depositories of so large an amount of the public money. Contracts are made in reference to the existing state of things. That state of things, in this instance, is the existence of a surplus in the Treasury during the whole time of the execution of the act itself. But, sir, the surplus is gone, and the obligation to deposite must go with it. There is no proposition more fixed than that the revebue of this Government is first to be applied to its ordinary operations. It was collected for this purpose, and we are forbidden to make any other disposition of it whilst the Treasury is unable to meet the demands created upon it by law. Other gentlemen have varied the form of the argument. It is said the deposite act was a promise given and accepted. I grant it. But not unconditionally given or accepted. It has, at all times, been subject to be defeated by the contingency which has already happened—of a deficiency of the revenue to meet the wants of the Government. The gentleman from Ohio [Mr. LOOMIS] demands, for his State, payment of the fourth instalment, in order that she may carry out her system of policy in regard to education. He requires the money of the people, raised for the use of this Government, to be paid to his State for the purposes of education. He expects it under the promise. Suppose we give it to him. What shall we do to defray the current expenses of this Government? We are told by others to issue Treasury notes. These notes must be paid. And by whom, sir? The burden must fall most heavily upon that section which pays the most taxes. And that is precisely the section, Mr. Chairman, whose interests I am sent here to defend. It is no less than a proposition to tax the cotton fields and sugar plantations of the South, two-thirds of the amount of the portion of Ohio in the fourth instalment, to carry out her system of policy. Sir, the proposition is not only at war with the constitution, which forbids you to tax the people to raise money to deposite or distribute among the States; but it is odious for its inequality. It is one to which I cannot, and will not, accede.

But, sir, another doctrine, more indefensible than all others, set up in relation to the surplus revenue, is, that the money already on deposite with the States is a gift to the States. This I understand to be the position assumed by the gentleman from Kentucky, [Mr. UNDERWOOD.]

[Here Mr. UNDERWOOD said that he had remarked that although the States did not, or could not, have an absolute title to the fourth instalment, yet they had an equitable title to it.]

The gentleman's statement corresponds with my recollection. The argument is still the same. Kentucky holds, in common with the other States, the bond of this Government, which is the act of 1836, to pay the fourth instalment. When it is redeemed by payment, the title of the States to the money paid is complete. Sir, this is in effect an avowal of the princple of distribution. I know the doctrine is openly avowed. Had this principle been asserted either in the act of deposite, or by those who brought it forward, the mark of the first murderer would have been stamped upon its forehead. Every man's hand would have been against it. The act purports upon its face to be a deposite act. It is the first rule of construction that "you are not allowed to interpret that which has no need

of interpretation." The gentleman from Kentucky, versed as he is in legal learning, can find no rule in the books by which he is authorized to construe a loan for a term of years, or at will, to a gift in fee simple. It would be directly in the teeth of the instrument, and unhinge the foundations of all human agreements. But if the act itself condemns such an interpretation, equally strong is the argument from the certificates of the States, plighting their faith upon the face of those instruments to pay the amounts received according to the terms prescribed in the deposite act. If any argument could be adduced stronger than another to justify this Government in withholding the fourth instalment, it would be difficult to conceive one more so than this assumption on the part of the States. They renounce the treaty so far as *their* obligations are concerned, and yet claim its execution as to *ours*. Even if the deposite act were in form a treaty between the Government of the United States of the one part, and the respective States of the other part, signed and sealed by their mutual plenipotentiaries, and ratified by their respective sovereigns, a renunciation by one party would justify a renunciation on the part of the other. Renounce a treaty, and yet claim its fulfilment! I ask for that part of the laws of nature and of nations which sanctions such a principle! Sir, I have thus far treated the act of June, 1836, as a compact, and attempted to show that, according to every rule of sound construction, this Government is not bound further to execute the agreement. I shall now consider it as a mere act of legislation which this Legislature is competent to repeal. The doctrine of vested rights under legislative enactments, or of property in the laws, has already assumed a portentous aspect, and threatens, unless speedily checked, to bind one section of the Union to the car of the other, to prostrate the dearest rights and interests of the people under the tread of privileged monopolies, and to chain succeeding generations to the crimes and errors of the present. It is by virtue of this doctrine, sir, that the agricultural and consuming States of this Union are held to a ten years' term of service to the manufacturing. Every effort which has been made to change this state of things has been met by a charge of violation of the compromise of 1832. For five years longer we are called upon to keep the faith and fulfil the obligations of that act, by submitting to a system of taxation which draws from the pockets of the people more money than is demanded by the necessities of the Government, and that, too, in a manner marked by the most odious inequality and injustice. You can pass no law which may, in any degree, affect the interests or pursuits of any individuals, or class of individuals, without a claim upon the Government of establishing, or a charge against it of infringing, vested rights. It is an inadmissible idea that laws are contracts with those who are benefited by them. From the days of Cicero to Blackstone, and from that time to the present, it has been an axiom in politics, that one Legislature is competent to repeal the acts of another. I will not deny that there are cases in which a Legislature may vest rights which a succeeding body cannot divest. Those cases depend upon the authority of the Legislature to enter into the bargain; and it must clearly appear upon the face of the law that it was considered by both parties as a contract, irrepealable but by the consent of both. Is the fourth instalment a case of this kind? Does it form an exception to the general law of legislative repeal? I think not. In the first place, Congress has no authority to borrow money, or tax the people to place on deposite with the States, when not demanded by the wants of the Government. In the second, there are no words implying a compact on the face or in the terms of the act. The ordinance of 1787, in relation to the Northwest Territory, is an instance of legislative compact; it is so expressed in the law. It is not so here; and if it were, it would be void as being without authority. For these reasons, Mr. Chairman, I am in favor of withholding the fourth instalment from the States.

Mr. FAIRFIELD said it was with great reluctance that he ever rose to say any thing upon this floor, and that reluctance was increased at the present time, by the reflection that so many gentlemen distinguished for their talents and eloquence had preceded him in this debate. But he felt impelled by a sense of duty which he could not overcome, to present his views very briefly to the committee, however far he might fall behind other gentlemen, either in the matter or in the manner of presenting it.

The gentleman from North Carolina, [Mr. SHEPARD,] who has just given us a very handsome speech upon this subject, (said Mr. F.,) commenced with a eulogy upon the deposite act of 1836. Sir, I cannot agree with that gentleman as to the character of that act, either as to its expediency or the principles involved in its passage. Its tendency to lessen the dignity and independence of the States, by rendering them, to some extent at least, dependants upon the bounty of the General Government; its covert and insidious introduction of an erroneous and dangerous principle into our system of legislation—the right of taxation for the purposes of distribution; its tendency to keep up, if not to raise, a high tariff; the inequality in its ratio of distribution being directly at variance with the principle of taxation recognised in the constitution of the United States; these, to say nothing of numerous other objections to the act, stamp it with a character very different, to my mind, from that bestowed upon it by the gentleman from North Carolina. Sir, I voted against its passage, finding myself in a small minority of forty-one upon that occasion. My position was then taken after I had brought to the subject the best lights of my understanding, with the sincerest desire to learn what was true, and to do what was right; and I have never seen cause to regret the result to which I was brought, nor has any thing since occurred to change, in any degree, my views of the law alluded to. Its reception by the citizens of my own State, and its operation there, certainly were not calculated to produce that effect. There was, I believe, but one voice among the democracy upon that subject. At all events, it was so in my own district. If gentlemen say that the late election in Maine indicates a change of opinion, I answer that this question, so far as my knowledge extends, was not involved in any way in the late political contest; and I will add that an election took place a few months after the passage of the law, and in my own district, at least, a most emphatic approval of my vote was given by the people. But, in passing, let me say one word upon the subject of our late election, as some gentlemen seem disposed to introduce it here, and to make it a matter of triumph, particularly the gentleman from Pennsylvania, [Mr. BIDDLE.] Let me tell gentlemen that it may yet appear that they have been "hallooing before they were out of the woods." The news of our defeat comes from an opposition source; and, in the course of my short experience, I have generally found the first accounts coming from that quarter to be inaccurate; and I feel justified in this remark by the general incredulity which is now manifested by all parties in regard to these accounts from Maine. It may be, however, that we are beaten; but if it should so prove, and gentlemen are rejoicing over a permanent change in the politics of the State, let me say, "lay not that flattering unction to your souls." The election, if lost, has been lost by a combination of personal and local questions and interests, not involving the great political questions of the day. Maine is essentially democratic; and the democracy will yet rise in their strength, redeem the State, and effectually throw off any odium that may have been incurred in the late contest. Yes, sir, "the star in the East," though its lustre may now be dimmed, will yet shine forth with renewed and increased effulgence.

But to return to the pending question. I need not say that being opposed to the original act in its inception, and in all its subsequent stages and processes, I am of course in favor of the bill now proposing the postponement of the payment of the fourth instalment. But it is said by several gentlemen that we cannot lawfully withhold this instalment. That the States have acquired a vested right in it, by virtue of a contract. Sir, I had thought that the doctrine of vested rights had become sufficiently odious through the indiscreet use of it by its friends, without attempting to apply it to this case. The gentleman from Massachusetts [Mr. BRIGGS] has labored to show that there is a contract between the States and the Government of the United States, and upon the establishment of that point seemed to consider the right of the States to the instalment as clearly made out. Now, sir, does one follow the other? It appears to me not. If it be a contract, the next inquiry is, what are its terms, and is it a binding and valid one? And for the purposes of this argument, it may be admitted to be a contract. All bailments are contracts. This is one kind of bailment, and, therefore, a contract. It falls within that class of bailments, technically denominated in the law "deposite," which is the bailment of a thing by one to another, to be returned when the bailor calls for it. By this, the bailee acquires no right or title in the thing bailed, or to its use, but is bound to restore it when called for.

On the part of the United States this bailment of money to the States was merely gratuitous; and there was no such consideration in the case as to render the contract a legal and valid one. But it is said there was a promise on the part of the States to pay back the money, and this constituted a good consideration. Sir, as well might I set up a legal claim to my neighbor's horse—ay, to a vested right in him, because my neighbor, in the exercise of a spirit of courtesy and kindness, said I might have the use of his horse at any time, on my promise to return him. But the gentleman from New York [Mr. SIBLEY] has undertaken to show that there was a good consideration upon strict common law principles, and has quoted from the old books the definition of a good consideration to be, "a charge or trouble to one party, or a benefit to the other;" both of which, he says, exist in this case. The States, it is said, incurred charges and trouble in receiving and keeping this money, and the General Government derived a benefit in having it kept for them. Sir, I must confess I was not prepared to hear such a position as this taken. Can it, in any sense, be said to be a charge or trouble to a State to receive a large sum of money, and use it for an indefinite period without paying interest for it? If so, I know of a great many people who would like to be troubled in the same way; and I cannot say that I should have any very serious objections to it myself. Again: how can it be said, in any proper sense of the term, that the United States Government derive a benefit from the transaction? Just look at the facts. The Government have a large surplus, which they do not want to use, lying in the deposite banks, and for which the Government is drawing interest. This surplus the Government withdraws from the banks, and deposites with the States, to be kept by them without the payment of interest. And this the gentleman from New York calls a benefit to the United States Government! Sir, I cannot conceive of a more palpable perversion of our mother tongue.

But, to strengthen his position, that the charge or trouble incurred by the States constitutes a good consideration, the gentleman from New York goes on to show how the Government of his State disposed of the money after it was received, and how various expenses were incurred. Sir, is this a legitimate and proper mode of construing a contract, or for ascertaining whether there be a legal consideration or not upon which it is founded? I think not. A contract, illegal or invalid at the time of its creation, cannot be purged of its illegal qualities, and made valid by any thing which may subsequently be done by either party.

The gentleman from New York has also urged upon us, in an eloquent and forcible manner, the moral obligation which it is said we are under to pay over the fourth instalment. Upon this point, however, I will not occupy the time of the committee, as it has been fully and ably replied to by others. At the best, for those taking this ground, there may be said to be conflicting claims upon the same fund: that of the Government, to carry on its necessary functions and operations, and that of the States, as borrowers without interest. Which of these claims is paramount, I will leave for each member to decide for himself, constituting as he does an important part of the Government itself.

But again, in relation to the construction of this alleged contract, it is said by the gentleman from Massachusetts [Mr. BRIGGS] and others, that this money deposited with the States cannot be called back, except in the mode prescribed in the proviso of the 13th section of the deposite act; that is, in sums not exceeding $30,000 per month. If this position be correct, then this law is not what its title imports, a deposite law, but is, in fact, with regard to some of the States, at least, a distribution. In New York, for instance, the amount thus drawn would amount to only about the legal interest on the amount deposited. So that, in about seventeen years, the claim of the United States will have become entirely satisfied, while every dollar of the principal will remain untouched in the hands of that State. Now, was this the intention of those who enacted this law? No, sir. Its friends repelled the charge that it was distribution in disguise, and strenuously maintained, while the bill was undergoing discussion in this House, that it created a deposite merely. Such also is the title of the bill. But if the construction of the gentleman from Massachusetts obtains, then this law is made what its framers never intended it should be, and will make the title as perfect a misnomer as can be conceived. Under this view, therefore, I contend that the construction sought to be fixed upon this law is incorrect, and cannot be sustained. What, then, is the true contract between the parties? The gentleman from New York [Mr. SIBLEY] says that the statute constitutes the contract. It appears to me to be otherwise. The statute, I admit, prescribes the contract, but nothing more. This contract is to be in writing, and its terms are set forth in the statute. What are they? The language of the statute is as follows:

"*Be it further enacted*, That the money which shall be in the Treasury of the United States on the first day of January, 1837, reserving the sum of five millions of dollars, shall be deposited with the several States, in proportion to their respective representation in the Senate and House of Representatives of the United States, as shall, by law, authorize their Treasurers, or other competent authorities, to receive the same on the terms hereinafter specified, and the Secretary of the Treasury shall deliver the same to such Treasurer, or other competent authorities, on receiving certificates of deposite therefor, signed by such competent authorities, in such form as may be prescribed by the Secretary aforesaid, which certificate shall express the usual and legal obligations, and pledge the faith of the State, for the safe keeping and repayment thereof, and shall pledge the faith of the States receiving the same to pay the said moneys, and every part thereof, from time to time, whenever the same shall be required by the Secretary of the Treasury, for the purpose of defraying any of the wants of the public Treasury beyond the amount of the five millions aforesaid."

Here, so far as regards the terms of the contract, which is to be in writing, the statute stops. The States are to pay back, not in sums of $10,000, or $20,000, nor at any

particular times, but in any sums, at any times, whenever the Secretary of the Treasury shall require it. To be sure, in a proviso to the law, the Secretary of the Treasury is prohibited from calling back the deposite except upon notice of thirty days, and then only in limited amounts. But with this the States have nothing to do, any farther than they are indirectly benefited by the regulations imposed by the Government for its own purposes. This proviso does not constitute a part of the contract, but was a restriction imposed by Congress upon the Secretary, who, they had reason to believe, was hostile to the law, and, they perhaps feared, would call back the deposite more rapidly than they might deem necessary.

But I do not take this ground, sir, because I am in favor of calling this money back from the States, so far as the deposite has been made. And here I differ with the gentleman from Georgia [Mr. Holsey] who has just taken his seat. I do not believe a vote can ever be obtained for calling it back; and, with my present views, I should not be willing to be instrumental in effecting that object. The mischief has been done, and it cannot be remedied by insisting upon a repayment of the money.

If my views of the legal rights of the parties to this contract be correct, then the only question is, whether it is expedient to withhold the payment of the fourth instalment. And, in regard to this question, I cannot conceive how there can be two opinions, except as between those who hold that a national debt is a national blessing, and those who hold otherwise. For we are shown most clearly, in the report of the Secretary, that there will be a deficit in the Treasury if this instalment be paid to the States. I know that gentlemen talk about this report being a Cretan labyrinth; that they cannot understand how there is to be any deficit; that they are in a mist and cannot see clearly. Sir, is the Secretary to blame for this? If gentlemen are groping their way in the mists of error, let them make haste to reach those elevated grounds, where the clear sunlight of truth will chase away all mists, and enable them to see clearly. The report of the Secretary appears to me to state the facts in a manner perfectly clear and intelligible, so that he who runs may read. These facts have also been placed before us in different modes by the gentleman from Virginia, [Mr. Jones,] and by the gentleman from Georgia, [Mr. Holsey,] all arriving at the same result, and showing most conclusively that if this instalment be paid over, there will necessarily be a deficit in the Treasury. The only question, then, is, whether we shall resort to a loan to raise money for the purpose of depositing it with the States. Sir, what would be thought of the man who should hire money from one bank for the purpose of depositing it in another without interest? Would he not be regarded as a fit subject for an insane hospital? And why should we not be exhibiting a similar spectacle by refusing to pass this bill, and resorting to a loan to raise money for deposite with the States?

In every view which I can take of this case, it seems to me that a postpoment of the payment of this instalment is called for by every consideration of common sense, prudence, and patriotism. But shall the postponement be indefinite, as by the bill, or to January, 1839, as proposed by the amendment? Sir, I prefer the bill without the amendment. We are told here of the disappointments to which the States will be subjected by withholding this money: how it will thwart the plans and multiply the troubles which are already sufficiently abundant. I ask, then, if we should not by adopting the amendment be probably subjecting the States to the same disappointments and troubles over again. If we fix a definite time when the instalment is to be paid, will not the States go on as heretofore, laying their plans, and arranging their affairs in correspondence with such holding out on our part? And, if so, will they not be destined to disappointment? For one, sir, I trust that such a policy is to be pursued that we are to have no more large surplusses; that the people are no longer to be taxed that Government may be enabled to return to them again the amount thus levied, deducting a large proportion of it for expenses, losses, &c. The gentleman from North Carolina [Mr. Shepard] regrets the disagreeable scrambles that have been witnessed for appropriations for internal improvements in the States, and yet is in favor, as it seems to me, of a policy whose necessary tendency is to renew those scrambles. Go on with your system of division, and you directly and powerfully strengthen the motives to create a surplus; and whenever there is a surplus, there will be witnessed a disagreeable scrambling for its possession. Sir, I dread a surplus nearly as much as I do a national debt. Neither of them is compatible with the interests of our people. The one imposes taxes, and often very unequally, to pay interest and the salaries of a horde of petty officers; while the tendency of the other is to corrupt all the streams of legislation, and to generate a low and mercenary spirit among the people. I would then avoid them both. Let the Government be administered in plain republican simplicity and economy. Let no more money be abstracted from the pockets of the people, either directly or indirectly, than is wanted for this purpose; and let the States preserve their dignity and independence, by relying upon their own resources for internal improvements or other objects, instead of being humble suppliants for the bounty of the General Government. But, sir, I have detained the committee much longer than I had intended, and will now close, thanking them for the attention which they have given me.

Mr. PARKER said it had not been his intention to take any part in the discussion of this bill, and he should not now do so, if he had not learned from the remarks of his colleague, [Mr. Sibley,] that some of the delegation from the State of New York entertained on this subject sentiments very different from his own. He, therefore, considered it a duty he owed to his constituents, as well as his colleagues, to state briefly to the committee the reasons that would induce him to vote in favor of the bill.

It has been said, Mr. Chairman, by the honorable gentleman from Tennessee, [Mr. Bell,] that this measure has originated in a settled hostility to the deposite act of 1836. I do not know, sir, what facts within the knowledge of that gentleman may have led him to that conclusion, but I am bound to say that no such inference can be fairly drawn from the history of the deposite act, or of the bill now under discussion. That act was passed on the 23d of June, 1836, and during the whole session which intervened between that time and the present, no effort was made by the Administration or its friends to repeal any portion of it. Since the close of the last session, the revulsions and pecuniary embarrassments, so prevalent throughout the commercial world, have reached even the finances of the Government. The revenue arising from duties has been greatly diminished, and the sales of public lands lessened. The Treasury has become nearly exhausted, and we are expressly told by the Secretary of the Treasury in his report, that the funds in the Treasury on the 1st October next will be entirely insufficient for the payment of the fourth instalment under the deposite act. Such is the state of the finances of the United States, that the Secretary of the Treasury finds it necessary to recommend the issuing of Treasury notes to meet, temporarily, the expenses of Government. With all these facts before me, sir, I am led irresistibly to the conclusion, that the measure originates from the actual necessity of the case, and not from any hostility to the deposite act. Whatever may be the fate of this bill, therefore, the fourth instalment cannot be paid. There are no funds to meet it.

But it is said by some honorable members of this committee, that it is the duty of Congress to authorize a loan

for this purpose. I admit this is the only alternative; and the consideration of this proposition involves questions of a most grave and important character.

In the first place, it is very doubtful whether Congress have power to borrow money for such a purpose. The eighth section of the constitution gives to Congress "the power to borrow money on the credit of the United States." Taken in connexion with the tenor of the other provisions, it seems fair to infer the true construction to be, that money may be borrowed to pay the debts, and provide for the common defence and general welfare of the United States. It cannot be supposed that the framers of that instrument intended this power should be exercised in the manner proposed—that money should be borrowed; that a national debt should be created for the sole purpose of depositing the money with the States. A strict construction of that instrument would hardly warrant such an inference.

But, sir, even if such a law were not unconstitutional, it would be a precedent entirely new, and, in my opinion, of the most dangerous tendency. The act of 1836 only proposed that a surplus actually in the Treasury should be deposited with the States. A very different question is now presented. We are now asked to go a step farther, and borrow money for that purpose; to borrow money and pay interest on it, and loan it to the States without interest. If nine millions may be borrowed by the General Government for such a purpose; if this principle is once established by such a precedent, loans for hundreds of millions may yet be effected for distribution among the States. Sir, this would be an alluring bait—a golden prize. It would endanger the independence of the sovereign States. It would place them in a situation of dependence on the General Government incompatible with their true interests, if not with their separate existence; and these immense debts of the General Government could only be paid by an excessive tariff, or by other direct or indirect taxation of the people.

But it is said by some that withholding this instalment is a breach of contract; and by others that it is a violation of good faith towards the States. On this point, Mr. Chairman, I am compelled to dissent entrely from the honorable gentlemen who oppose this bill. There is no debt existing from the General Government to the States. The act authorized no distribution of money; it was merely a deposite. It is so expressed in the act of 1836; it was so urged by its supporters at the time; and it was so recognised in the acts of the Legislatures of the several States by which their consent was given to the acceptance of the deposites. It has been said by my colleague on my left, [Mr. SIBLEY,] to be a rule of law, that where an arrangement is made of such a nature as affords a benefit to one party, and imposes a burden or trouble on the other party, there is a good consideration, and a valid contract is created; and he applies this doctrine to the case under consideration, by saying that the General Government were to enjoy the benefit of having their funds kept safely by the States, and the several States were subjected to the trouble of taking charge of, and loaning out, the money; and he proceeded to say that the State of New York had expended nearly two hundred thousand dollars in passing the act of acceptance, and in paying the expenses of loaning the money to the different counties of that State. If, sir, this common-law doctrine is correctly stated, it cannot be applicable to the case under consideration. The General Government derive no benefit from the transaction, for they receive no interest on the sums deposited; and the State of New York will complain of no trouble imposed, when the interest which it actually enjoys on the sum already deposited with that State amounts annually to nearly double the sum alleged by the gentleman to have been expended.

No agreement has been made between the General Government and the States, except in regard to the money already deposited; and, on receiving that money, the States severally agreed to refund it whenever required by the Secretary of the Treasury. No act has yet been done by the States by which they hold themselves responsible for the fourth instalment. They have only signified their willingness to accept it; and, if the condition of the Treasury is such that the deposite cannot be made, there is surely no contract broken, no violation of good faith.

But admit for a moment that there is a contract, a substantial contract, invested with all the legal forms, and three-fourths of it executed on the part of the General Government. If the fourth instalment can only be paid by committing a palpable violation of the constitution, or by a disregard of principle, which would endanger the safety and welfare of the States, as well as of the General Government, such a contract would be void by the well-settled rules of law, as well as by the acknowledged principles of justice.

In the course of this debate, it was said by my colleague on my right [Mr. FOSTER] that postponing the fourth instalment will operate more injuriously upon the State of New York than on many of the other States. I have great reason to doubt the correctness of this conclusion; but I should undervalue the patriotism of the people of my State if I supposed they would not cheerfully submit to inconvenience under such an emergency. I know my own constituents too well to believe that they will expect their representative on this floor to vote for a measure fraught with so much danger.

On the 31st day of July last, a circular was issued by the Comptroller of the State of New York, stating that he had made arrangements to borrow money from the Erie and Champlain canal fund to supply any deficiency that might exist in case of the non-payment of the fourth instalment; and that the holders of certificates—all of whom had executed mortgages for the full amount—might rely on receiving their money on the first Tuesday in October. Of course, the people of that State will not be disappointed in receiving their money according to their certificates.

But my colleague proceeded to say that the State banks who have a portion of this Erie and Champlain canal fund on deposite would be required to furnish the requisite funds from their vaults, and must, of course, call upon their debtors and curtail their discounts to that amount, and thus produce serious embarrassment. This cannot be the case to any great extent; for more than nine-tenths of the money borrowed by the people on bond and mortgage under the late act, is paid immediately to the banks. It is borrowed, in most instances, for the very purpose of paying bank debts. It is changing the indebtedness from the banks to the State, and on much more advantageous terms. In place of a credit of ninety days from the bank, the borrower obtains from the State a credit of at least one or two years, and that portion borrowed from the canal fund will not be called in till 1845.

The canal fund will also be the gainer by this arrangement; its moneys on deposite in the banks draw only 4½ and 5 per cent. interest; but that portion taken to supply the present deficiency will draw 7 per cent., thus adding to that fund more than thirty thousand dollars per annum over and above its present receipts, without exacting from the borrower any more interest than would be paid if the United States Treasury had furnished the money.

How much soever, therefore, we may all regret the inability of the General Government to deposite the fourth instalment with the States, according to its original design, I cannot admit that its being postponed will operate with so much severity upon the people of New York as has been represented on this floor.

The honorable gentleman from Ohio [Mr. LOOMIS,] in his zeal to defeat the passage of this bill, took occasion yesterday to speak with great freedom of what he is pleased to

denominate "New York politics," and said that the measures of the President, and of the administration party in that State, have been of a bold and daring character. Among other instances cited by that gentleman, he asserted that "a bill had been urged through the Legislature of New York, in the short space of a few hours, pledging the faith of the State to the amount of six millions of dollars, for the purpose of sustaining the local banks."

The act, Mr. Chairman, to which he probably refers, was passed in the spring of 1834, during the famous panic which the honorable gentleman cannot yet have forgotten. At a time when the expiring agonies of the late United States Bank convulsed the business world to its very centre; when that powerful institution was attempting to extort from the fears of the public what the calm deliberation of the American people had denied it—its recharter; when panic speeches were made on this floor, and echoed through the bank-bought presses of the country; when doubt and dismay were pictured upon the countenances of a large portion of the community: it was then, sir, that the capable and efficient Chief Magistrate of New York, in a special message, submitted to the Legislature the project alluded to, and that body passed the law by an unusually large majority, not in the space of a few hours—promptly, I admit—but after due deliberation and reflection.

By that law, the State interposed its credit as a shield between the United States Bank and the people. Its object was to restore confidence, and that object was fully attained by it, without the necessity for borrowing or loaning out a single dollar by virtue of its provisions. I think the honorable gentleman cannot have forgotten that this law encountered the most bitter opposition from the political party to which he belongs. It was called by that party "Marcy's Mortgage," and the people were told by the Opposition press, that their farms were mortgaged to the amount of six millions of dollars. But, sir, it was a senseless and unavailing clamor—*vox et preterea nihil;* for, in about six months after the enacting of that law, Governor Marcy was re-elected to the executive chair, by a majority of nearly thirteen thousand votes.

So far as the act referred to operates as a precedent, it is against the position assumed by those who oppose this bill. It shows that the power of borrowing money to loan out to the people may be properly exercised by the States. It does not show that that power has been conferred on the General Government.

I am happy to perceive, sir, that the old and stale cry of "non-committalism" is now abandoned by that party which the gentleman from Ohio represents; but, before he charges upon our distinguished Chief Magistrate and his supporters in his native State that their measures are too bold and decided, he ought to have examined into the effect of those measures in that State. He would have found that it was under the influences of the party composed of the President's political friends, that the resources of that State have been developed; that her forests have become cultivated fields, and her villages have grown into cities; that her great works of internal improvement have been projected and constructed; that her banking institutions have been regulated and restricted, and the safety fund system adopted, affording more ample security to the public than any other system yet devised. In short, he would have found that it was under Administrations of the same political character, that New York has become what the honorable gentleman thought proper to call her, the "Empire State." If the gentleman had rightly understood "New York politics" and "New York politicians," he would perhaps have formed a higher estimate of the wisdom of their measures, and the correctness of their principles.

Mr. Chairman, I have already occupied the attention of the committee longer than I intended. I am constrained, by a thorough conviction of duty, to vote for this bill. I should prefer it without the amendment offered by the gentleman from South Carolina, [Mr. Pickens,] because I do not think that amendment postpones the fourth instalment sufficiently long to enable the public finances to meet it, and because I am unwilling to see the expectations of the States again disappointed. But I shall vote for the bill, whether the amendment be adopted or rejected.

Mr. SMITH, having next obtained the floor, moved for the rising of the committee; when

Mr. CAMBRELENG urged the necessity of proceeding: he stated that in consequence of the passage of this bill by the Senate, important changes had taken place in the financial attitude of the Government, and that should not the bill be passed by the House in one week, the Treasury must stop.

The committee however, rose; and

Mr. FOSTER moved that the House adjourn.

On this question Mr. CAMBRELENG demanded the yeas and nays; which, being taken, resulted as follows Yeas 96, nays 85.

So the House adjourned.

Saturday September 23.

FLORIDA WAR.

After the presentation of numerous petitions on the subject of the annexation of Texas, and the abolition of slavery in the District of Columbia,

The House resumed the unfinished business of yesterday morning, which was the consideration of Mr. Wise's resolution for a committee of inquiry on the subject of the Florida war; when

Mr. WISE said: When I came here, four years ago—when I was first elected by the people of my district, I was the friend of power. I had not been here long before I found that power needed no friends; it was too strong already. I looked anxiously to the condition of our institutions, and narrowly at the enemies of those institutions, and I soon discovered that their greatest enemy was the concentration of all power in the Executive.

Sir, I looked at the public domain—the richest inheritance with which any nation was ever gifted—more vast and more fertile, and a greater source of revenue, than that which any crowned head of Europe ever lorded over. I found this extended territory, the eminent domain itself of the Government, at the absolute disposal of the President; and, as a necessary consequence of this control over the public domain, I saw the new States of this Union, within the limits of which the public lands are situated, entirely at his bidding.

I looked to other sources of power. I surveyed all the little rills and all the great fountains of revenue, and I found them all pouring in patronage to the Chief Executive from a triple coast on the lakes, the Atlantic, and the Gulf of Mexico. I saw more. I looked to the public press, and found this, too, the pensioned, subsidized slave of Executive will. And, above all, I discovered a greater power than all, because it carries all power with it, wielded by the President in the appointment and removal of all the officers of Government. All, all these powers, and more, I saw concentrated in the hands of one man.

True, there was some restraint, some check provided by the constitution, and placed in the hands of Congress; this check, it was supposed, consisted in the custody and control of the public purse. But, between the period of my election and of my taking my seat here, this check, too, had been seized by a popular President; and, indeed, had it remained where it was placed by the constitution, it would still practically have been of no avail, because the President could, and can, at will, control Congress by the power of appointing or removing its menbers to or from office.

From all this tremendous mass of power I saw clearly that "offences must come"—it must needs be so—it was inevitable. There would be corruption, dictation, oppression, and all the other train attendant upon arrogant, absolute power. Nor was this mere theory; it was not conjecture or apprehension: it was fact. I found a party in power, ministering to a popular President, whose maxim, whose practice was, "to the victors belong the spoils!"

No, sir, no; I had not been long here before I was entirely undeceived. I found myself in a wrong position; I found that the country and its institutions needed friends; and, thereupon, I at once declared myself to be no longer the friend of power. Forthwith, sir, I set myself to the work of diminishing the power of the Executive in the best way possible—by exposing its monstrous extent, its enormities, and its abuses. I held this to be a sacred duty of patriotism; and in my own mind I took the Hannibal oath to discharge it, come what would, at every personal risk and sacrifice. Some one had to discharge the duty to a suffering country, and I could see no reason why I should avoid its performance. I foresaw its difficulties and its dangers; I knew how fearful it was to beard the lion of power in his den; but I took up the line of march. But what were the means? The task seemed hopeless, because so infinite, and I so weak. With what panoply was I to cover myself in undertaking and performing this deed of danger? Sir, I thought long, and counted the cost well; but my mind was at last inspired with the conviction that

"Truth shall restore the light by Nature given,
"And, like Prometheus, bring the fire of Heaven."

I resolved that my only weapon and my armor should be truth. But how was the truth to be laid before the world? What mode of proceeding was to be adopted as its agent? What department of the Government was to be looked to as its friend? It was a solemn question; and, sir, I must confess that my mind was enlivened and somewhat cheered when it turned to this House; yes, sir, to this House of Representatives of the people—the House of Commons—the grand inquest of the nation! Here, here were the means of investigating—of inquiring after truth—of ferreting out corruption, and of exposing abuses! I addressed myself to this body with all the zeal and fixed determination which the task demanded. I was confident of its aid and its co-operation, and thus, I thought, shall truth prevail. How sad was my subsequent disappointment! But I was not alone in this great work. I had a companion every way worthy of the enterprise—he is absent—it becomes me not to speak in his praise, for, though no blood of his runs in my veins, he is dear to me as a brother: I found him more than a companion; and if I were permitted to speak of him as my heart prompts, I would say of him—powerful in intellect, eloquent, magnanimous, amiable, brave; stretch my faculties as I would, press forward as I would too keep by his side, I found that such was his energy, his zeal, his mightiness of purpose and of soul in the onward march which he resolved with me to pursue, that I could not keep pace with him, and he was ever still beyond my reach! That man was Balie Peyton, of Tennessee. We both "contemned the sceptered hand" like "the wild wave," and, forseeing all difficulties and dangers, perils and responsibilities, to be met and encountered, grappled with our task with hearts fixed that

"Prone to the dust Oppression shall be hurl'd,
"Her name, her nature, wither'd from the world!"

We knew that the free forms of government were worse than useless without a free and pure administration. We knew that secret corruption was a more dangerous, because a more insidious, enemy to freedom than foreign bayonets; that enemies from within were worse than enemies from without; and we were settled in the belief that, if here, in this last asylum, the foundations of liberty were sapped, and she must fall, the hopes of mankind must cease!

Our work was begun, and with it, sure enough, began our labors, our perils, and dangers. Our duty imposed upon us both the hard, the dire and dangerous necessity of throwing ourselves, constantly, on the very spears of power and its parasites. We were brought into constant conflicts with "the party." The truths which had to be told, must be told boldly, fearlessly, unflinchingly. We had not only to charge upon party, but upon persons. Whenever we considered it our duty to expose individuals of "the party," we always attacked them openly, and aboveboard—we wore no masks—we were not ambiguous—we dealt not in generalities; we were not to be mistaken in our meaning. We were charged in turn, politically and personally. When we have charged the party in power with bribery and corruption, our party in turn has been denounced as "bank hirelings." We never treated the epithets of party as personal to ourselves, and met party attacks as best became us. When personal attacks were made upon us, we met them with adequate resentment. When insulted, we repelled the insult as it deserved; and when we offered insult, we were at all times responsible. We offered none wantonly or unprovoked; none was received by us with impunity. When the pampered pet of the pet banks dared to insult my friend to his face, he prostrated his insolence in the instant by resenting the insult—the charge of calumny and falsehood thrust indirectly into his answer to an interrogatory allowed to be put by the committee—by a manly, high, and proper resentment on the spot. This was the only instance in which either of us was personally insulted. It is true, there were feints of attack, some mock assaults upon us in this House and out of it, but they roused no indignation, heated no blood, excited no resentment—none, none—not the least—they were to us subjects of merriment, more amusing than otherwise. The minions who were to be set upon us could not be brought up to the mark—no, not with all the training of their grooms—to make a direct personal attack upon either of us. Sir, their attempts to set upon us, in fact, put me in mind of what I saw in one of the rooms of this Capitol last winter. Persico, the celebrated sculptor—your statuary of Peace and War—invited me to see two groups of figures he had modelled as designs for ornamenting the East Portico, When I entered the room, "There," said he, "is the figure of Columbus"—it was a noble figure, standing in the commanding attitude of one proudly conscious of the grandeur of his discovery—"he holds in his hand an emblem of the New World, surmounted by the cross, in token of the future influence of Christianity; he says, 'See! here it is, I have found it!' By his side—look there, Mr. Wise—is an Indian squaw; she stands in a wondering attitude, as if peeping at the glorious stranger; she is drawn so near by curiosity: but, if he shall but turn his head around, she will be off in one moment; that is from her timidity! Sir, I was often reminded of the little figure of the Indian squaw. Some of the attempts reminded me of scenes of fright in the haunted house. A ghost is seen—who shall go and see what it is? Will you? will you? or you? No: no: no. At last one poor trembling wretch, by volition or force, accident or half resolve, is pressed or ventures to totter forward, with broom-stick in hand—the rest pressing him on from behind—when, lo! a sound scatters them in backward flight, tumbling one over another in fright. Oft-times have they nerved themselves to form an attack upon my friend and myself; but, with all the courage they could "screw up," or summon to their resolution, by the utmost effort, they never could go beyond a certain point. They would make very brave starts, and march fiercely up to a certain line, but then they stopped. Sir, I never courted these personal attacks—I always desired to avoid them—they are abhorrent to my feelings; but when personal attacks are made either on myself or on my friend now absent—and if I did not defend him as well

as myself, he being absent, the Romans should beware of me—when personal attacks are made, they shall be met by me. He is absent; I have determined to pursue the same line of duty, and I am not to be deterred from the course which I have marked out for myself by any considerations of a personal nature. I shall, with a fixed, firm determination, resolutely march straight onward against the corrupt powers that be, with the same impulse of duty that governed me when I first undertook this perilous career in public life.

Sir, I am induced to make these remarks by a general, a very general, declaration made yesterday by the gentleman from Mississippi, [Mr. Gholson.] I know not whether this declaration was intended to cover a personal attack on my friend and myself or not. Certain it is, his remark was strictly true. He said that "the scenes which transpired in the rooms of the two investigating committees, last winter, were disgraceful to those committees, to the House, and to the nation." Such was his remark, though it is not so reported in the papers, and I agree with the gentleman perfectly, that the scenes enacted in the committee rooms were disgraceful to the committee and to this House, but I will not say to the nation, for the nation, as soon as it could act, prevented any of the disgrace from attaching to its conduct or character. Such scenes never before occurred in this Capitol, and I hope never will again. Sir, they were all scenes of prostituted servility to Executive power, by members of this House, where political independence is most required, and was once most to be expected. I saw scenes, on both committees, where every thing of honor and interest was left perfectly derelict to the all-absorbing influence of the President—scenes of lowly bowing to his footstool—of covering all abuses—of smothering truth—of gagging inquiry—of refusal to expose abuses known without proof or with it—of sanctioning abuses, by open, unblushing claims to rightful authority to commit them—which were disgraceful to the committees. And, sir, I saw a scene here, in this House, which was disgraceful to some members of the last House of Representatives. The very pimp who was charged with plundering the Treasury, wasting the public money in corruptly bribing the public mind, contumaciously refused to appear when summoned as a witness before the Committee of Investigation, and there were members of the House of Representatives who tolerated and countenanced him in such conduct. The House yielded its powers and laid down its privileges at the feet of a tool of power. Sir, I do not mean to say that all of the majority of the House were involved in this disgraceful surrender of all power and dignity—in justice to many members, my friends, on both sides of the House, and I had, as I now have, some valued personal friends opposed to me in politics here, I must say they were governed by very different motives in voting to discharge Whitney, and never meant impliedly even to acquit him. But there were some who even became the champions and advocates of Reuben M. Whitney! they commended his course even before investigation, and have ever since his discharge commended his conduct to the nation! Sir, I am safe enough in regard to that matter. You have been told by the gentleman from Pennsylvania, [Mr. Muhlenberg,] this week, that the Committee of Investigation unanimously voted me their thanks for the mode in which I had discharged my duty as chairman; and yet, as a pretext for hiding the secrets of "the party," I was too unworthy for the main witness in the case to appear before me! Sir, I again say that I do agree with the gentleman that the scenes which took place in those committee rooms were disgraceful to the committees and to the House of Representatives, but not to the minority of either of those committees, the minority of the House, or to the nation. Why not to the nation? Two members of one of those committees have met the fate which their conduct merited—they have fallen before the judgment of the people! Out of the six in the majority of the committee of which I was chairman, only two are now here—Maine and Rhode Island have rendered their verdicts.

Sir, I take none of this general remark of the gentleman to myself, nor does it apply to my absent friend in Tennessee, [Mr. Peyton.] If it did, or if it were clearly apparent that it was meant for us—if the charge was that I and my friend were the authors of the disgrace of those scenes—whenever any disgraceful conduct is imputed to my friend or to myself, I would say to the man who utters the imputation, "in his foul throat he lies!"

Mr. GHOLSON wished to be understood as not making any personal allusion in his remarks to the gentleman from Tennessee, [Mr. Peyton,] as it never was his custom to make any remarks to apply to persons who were not in a position to defend themselves.

As to the gentleman from Virginia, [Mr. Wise,] he might take the remarks he had made on this subject on yesterday as they were delivered, and make a personal application of them if he chose; he was not responsible for the publication as it appeared in the Globe of yesterday, not having seen the report of yesterday's remarks before they went to press; the gentleman from Virginia, [Mr. Wise,] might take the remarks he had made just as they were made, and make what use of them he pleased. He repeated again, that scenes did take place in the committee rooms which were disgraceful to Congress and to the country; but in making this remark, he differed from the gentleman from Virginia in believing that the investigation threw any disgrace upon the late administration. He had not been able, for the life of him, to discover, after a close examination of the testimony adduced, that any disgrace could attach to the late administration. Although it had been repeated again and again by the gentleman from Virginia, that corruption did exist in the administration, he (Mr. G.) had not been able to discover it. The gentleman had said that a disgraceful scene took place in the House at the time; the majority of the House sustained a witness who refused to appear before one of the investigating committees. Now Mr. G. believed that the late House sustained that witness, because they believed that it would be doing injustice to him to send him before a committee, whose chairman had treated him in the manner the chairman of that committee had treated the witness.

A certain difficulty had taken place before another committee, in which the chairman of that committee took a part, and in consequence of this difficulty, as he (Mr. G.) understood, the majority of the House would not force the witness before his committee. He considered that the circumstances of the case fully warranted the House in making this decision, and he justified their conduct on that occasion. Then, was this a disgraceful scene? Was it a disgraceful scene for the American Congress to protect an American citizen? If so, Mr. G. was satisfied to take his share of the disgrace. The witness (Mr. Whitney) was a freeman, and entitled to all the rights and privileges of an American citizen; and as much entitled to protection as the gentleman from Virginia, or any other gentleman. He had before said that he knew nothing of Whitney personally, and what he knew of him from reputation was rather calculated to make an unfavorable than a favorable impression on his mind in relation to that individual; because he was charged with being in league with the banks in Mississippi, which banks, and those that sustained them, were his (Mr. G's) political enemies—the enemies of the people, and sustained by the party to which the gentleman from Virginia belonged. Yet, notwithstanding these banks were owned and controlled by the whigs, they were denominated here the pet banks "of the Government."

He repeated here that those banks in Mississippi were opposed to the administration, and opposed to the election of

himself and his colleague [Mr. CLAIBORNE.] This House was to be looked upon, according to the doctrine of the gentleman from Virginia, as enacting disgrace, because it has sustained an American citizen in a stand he had taken in not appearing before a committee whose chairman had made violent charges against him. It was easy to make charges but it was difficult to prove them. The gentleman from Virginia no doubt believed all the charges he had made against this individual, but he denied that he had proved them. He knew Whitney as the agent of one of the banks alluded to, but further than this he knew him not, nor did he care what his character or conduct had been; he viewed him only as an American citizen, and as such, he had rights secured by the constitution that those in power had no right to take from him. He considered it a duty to protect every individual until the charges brought against him be proved. Surely he did not look upon this as bowing at the footstool of power to protect this individual under the circumstances of the case. If it was so, however, he was ready to take his share of the responsibility. He cared not what charges gentlemen might make against him; he came there the representative of an independent and of a magnanimous people, who were not to be deterred from the support of an administration which they believed acted in accordance with the republican principles contained in the constitution, by the denunciations of any set of men, or any party. He had not changed his mind since he came to this House. He had not seen the corruptions of which the gentleman from Virginia had spoken. And he had not changed his political opinions since he came here. He had not discovered those corruptions, and until he did discover them, he saw no reason for changing his political opinions. When he had the evidence of them presented to him, then it would be time enough to change the opinions he entertained when he entered this House. When that occurred, he could return and tell his constituents the cause of his change, and if they went with him be it so; but until he made this discovery, he should continue to support the party he had heretofore supported.

The gentleman from Virginia tells us that he has discovered that the new States were at the bidding of the President. Now he (Mr. G.) represented one of those new States, and he would take the liberty of informing that gentleman that it was neither at the bidding of the President nor of the monarch of bank rags. Although they sustained the late President and his administration, they did so because they looked upon the administration as acting in accordance with republican principles. This was the reason they sustained that administration, and not because they were bought up. If they could be bought up, they would be bought up by the banks. It was the banks that bought up men, and not the administration. Wherever you find the influence of banks existing to any extent, there you will find the aristocracy of wealth opposed to the democracy of numbers; and wherever you find gentlemen who have worshipped the golden calf, you will find that they have abandoned the good old republican doctrines, and cry out loud and long against the party in power, and those who sustain it. The only persons in the State he represented who were violently opposed to the administration, were those who, like the gentleman from Virginia, claim to possess all the talent, all the decency, and all the worth of the country.

The gentleman from Virginia further charges the democratic party with being sustained by a corrupt press. Now, if the press had become corrupt, it had become universally corrupt; and if the press in favor of the administration was corrupted by the administration, the press of the opposition was corrupted in the same ratio by the opposition party, who had the command of nearly all the wealth in the country. A large majority of the presses of the country, so far as his observation extended—and in the State of Mississippi two to one—were opposed to the administration, and this arose, in his opinion, from the fact that the wealth of the country was to be found in the ranks of the opposition. The press, then, with all its corruptions, is against us, if it is corrupt. He denied the charge, unconditionally, that the new States had been bought up by the administration, and it was an insult to the people of the new States to make this charge. If the gentleman from Virginia represented a constituency that would be bought up or bribed, he had nothing to say to it; but for himself and his colleague, [Mr. CLAIBORNE,] he claimed to represent an intelligent, independent people, who would not, and could not, be bought up either by the Government or the banks, and who were not to be frightened by the cries of the gentleman and his party from the even tenor of their ways.

Mr. LOOMIS, of New York, referring to the declaration of Mr. WISE that the administration party had got a stock pack as a committee for the investigation of abuses of the Government, said that he stood in a peculiar relation (that of successor) to one of the committee referred to, and he wished to say a few words on that part of the gentleman's remarks, and on the subject generally.

The gentleman from Virginia, in giving the reasons why he wished the committee of investigation appointed by ballot, and not by the Chair, alluded to his own bitter experience on the subject of stocked committees appointed by the Chair, and under the authority of this House. As evidence of this, he gave a narrative, on the first day on which he had spoken, of certain occurrences in the committee room; and on the second day he favored the House with a new version of the story; and in which he indulged in remarks respecting individuals not now in the House, of such a cast that all must consider them as a direct attack. As to the individual against whom a great part of what the gentleman said was directed, and who was a representative from Rhode Island [Mr. PEARCE] I have nothing to to say. The present representatives from that State stand in a different relation to the individual I refer to, from that in which I stand to the other gentleman who was the subject of attack, [Mr. MANN.] They succeeded in opposing him; but I stand here as the personal and political friend of my predecessor. If the gentleman alluded to Mr. MANN as one of those who had been rebuked by their constituents, I say he was mistaken. It is owing to Mr. MANN's own voluntary choice that he is not now on this floor. Both these individuals are now in private life, pursuing their own peaceful avocations in the bosom of their families. The gentleman from Virginia takes his distinguished stand upon this floor as a station from which to direct his attacks upon them. Every word he utters is listened to by this whole nation. As fast as his words drop, they are caught up by ready penmen, and are transmitted swifty from one end of the country to another.

[Mr. WISE here interposed, and said he would qualify the remark to which the gentleman from New York was replying. He had said that four members of the majority on the committee of investigation were not now in this House. He was well aware that a gentleman from Indiana [Mr. HANNEGAN] had since been appointed to an office by the President. Perhaps the place of Mr. MANN had been filled by the principle of rotation in office. But Mr. PARKS, of Maine, was now a defunct Governor, [a laugh] and the member from Rhode Island, [Mr. PEARCE] had certainly received a signal rebuke in that State; and he was informed that the conduct of that individual on the committee had had some effect upon the election in which he was defeated.]

If (said Mr. L.) the gentleman did not charge my predecessor as being one of those who had been rebuked by the people, his explanation is so far satisfatory. But still (Mr. L. continued) the attack of the gentleman on a pri-

vate individual was, as he had said, promulgated and repeated by a thousand papers all over the country, and whatever blame it contained they must suffer under it, as he had no means of being heard in reply; and though he might have failed in obtaining a majority to place him again by the side of the gentleman from Virginia, that gentleman was not, on that account, the more justified in making an attack upon him. From the account given by the gentleman from Pennsylvania [Mr. Muhlenberg] of the circumstances attending the vote of thanks which was unanimously tendered to the gentleman, Mr. L. should have thought it would have been impossible for him, that nothing could have induced him to make such an attack as the House had witnessed.

[Mr. Wise here again asked to explain. He had been understood, it seemed, by some gentlemen, as inculcating the idea that the member of the committee from South Carolina [Mr. Campbell] had really resisted the wish of the majority. It was due to the gentleman from Pennsylvania to say, that when the report was presented, the majority of the committee did disapprove of it. The member from Rhode Island did certainly; and he believed Mr. Mann did likewise, though of this he was not certain. They both disavowed the report. When the question was raised at the commencement, as to whether the report was amendable, the minority did suppose the majority meant to insist on the report; but as the reading proceeded, the majority expressed their disapprobation as strongly as the minority. His friend from Pennsylvania [Mr. Muhlenberg] had done so, (for he still called him his friend, and held him in high esteem.) Mr. W. knew of no conduct of the majority that was objectionable, save on the part of Mr. Pearce and Mr. Mann. Mr. Pearce was appointed to draw up the report, and he had entrusted the task to a scullion, who took him by surprise. Mr. Mann, however, was culpable beyond that; for, if the testimony of Mr. Pearce was true, Mr. Mann did furnish to Hallett the materials for the report; yet he denied knowing any thing that was in the report until it was read, though, according to Mr. Pearce, he knew its contents well.]

Mr. L. resumed. The gentleman has added nothing to what I knew before, save the last fact just stated by him. I did not impute to him a general charge against the committee, but only against certain individuals of it; and I did say it was most extraordinary that, after the good feeling in which, according to the gentleman from Pennsylvania, [Mr. Muhlenberg,] the committee's meetings closed, the gentleman from Virginia should indulge in this attack on absent members of the committee. As such, they were his equals; for although, by courtesy of the Chair, the mover of the committee was placed at its head, the other members of it were his equals; and if he had aught against them, then was the time to bring his charges, and not now. But let us examine the nature of these charges.

Here Mr. CAMBRELENG reminded his colleague that the hour allotted to resolutions had expired, and Mr. Loomis yielded the floor.

Before going into committee,

Mr. CUSHING inquired of Mr. Cambreleng whether it was his purpose to endeavor to close the action of the committee on the present bill this afternoon?

Mr. CAMBRELENG replying in the affirmative—

Mr. CUSHING further inquired whether it was the expectation of that gentleman that the committee were to be choked off from the discussion?

The CHAIR interupted Mr. Cambreleng (who was about replying) by reproving the use of such language; it was wholly out of order.

Mr. GARLAND, of Louisiana, observed that the chairman of the Committee of Ways and Means had informed the House that some financial arrangements had taken place since the passage of this bill in the Senate, which rendered it indispensable that something should be done very speedily. He asked if he might know what was the character of the arrangements alluded to, and by what authority they had been made? And whether they had been gone into merely from the fact that a bill had passed the Senate?

The CHAIR said it was not in order to refer in the House to what had passed in Committee of the Whole.

FOURTH INSTALMENT BILL.

On motion of Mr. CAMBRELENG, the House then went again into Committee of the Whole on the state of the Union, (Mr. Haynes, of Georgia, in the chair,) and resumed the consideration of the bill to postpone the fourth instalment of deposite with the States.

Mr. SMITH, who had moved for the rising of the committee yesterday, having taken the floor—

Mr. CAMBRELENG would, with the permission of the gentleman from Maine, take that opportunity of making a response to the gentleman from Louisiana. He expressed his gratification that the gentleman had propounded the interrogatory, because it enabled Mr. C. to explain to the committee what he intended to have done last evening, if he had not been stopped by the gentleman from Maine, [Mr. Smith,] who had not, as he had since informed him, understood his object.

What Mr. C. intended to refer to was, that the passage of the bill through the Senate, extending the time of payment of merchants' bonds nine months, carrying the first payment to February next, and that from the merchants' bonds not commencing to be paid till then, there was not only no demand at this time for Treasury warrants and drafts, but they had fallen four per cent. since the passage of that bill by an almost unanimous vote of the Senate.

The bill extending the term for paying the balances due from the banks to four, six, and nine months, having also passed the Senate by, he believed, a unanimous vote, had had another effect on drafts on these corporations, which would render even that portion of these balances unavailable to the Treasury, upon which calculations had been made to pay current expenses. As the credit commences from the day they refuse to pay them, they have every inducement not pay, and will refuse to do so in all cases where the bank desires to use the public money for four, six, and nine months.

The consequence of these two measures having passed, the action of the merchants in purchasing these drafts, and the action of the banks in consequence of the passage of that bill, the Treasury was actually deprived at once of all the funds now in bank throughout the United States, and deprived of all its resources to meet the expenditures of the present year. On this ground, he therefore, appealed to the committee to say how long this Government could be supported, depending, as it now did, on the trifling cash receipts for lands and revenue.

Mr. C. added that he had been informed they had even been compelled to return thirty thousand dollars from the Treasury to the custom-house at New York to pay debentures and current expenses. Under these circumstances, he thought he might confidently appeal to gentlemen on all sides of the House for their concurrence in a more prompt action upon the various bills before the House.

Mr. SMITH now proceeded to address the committee. He said it was not his original intention to have participated in the debate upon the bill now before the committee, but the course of remark which other gentlemen who had addressed the committee had indulged, induced him to desire to present to the committee a few remarks. He said he would not detain the committee to go largely into any topic involved by the debate.

But I must premise my remarks, (said Mr. Smith,)

with an expression of sincere regret that my honorable friend and colleague from Maine, (Mr. FAIRFIELD,) who addressed the committee on yesterday, should have deemed it necessary, either to a justification of his own position, or the elucidation of his views upon the subject before the committee, to go back to the motives or arguments that influenced the support or opposition made to the deposite act of June, 1836. But my honorable friend thought proper to go thus far back, and to claim great credit, and perhaps I might say great glory, for himself and the little minority of forty, or forty-three, who voted against that act. Now, sir, I contributed the vote and influence of one humble member upon this floor in supporting and carrying that act through this House, in the modified shape which was imparted to the bill that came from the Senate. And I can most sincerely declare for myself, and I think, in doing this, I accord also with the feelings of every other gentleman, in relation to himself, who voted in favor of that bill, that at no moment since its enactment have I seen the least reason for regretting the course I then pursued. And I am also ready, for one, as the gentleman of Maine has thought it proper to go into an examination of the matter, and to court it, to enter into an adjustment of the praise and censure that is attachable to the friends and the opponents of that measure, and to strike the balance-sheet of glory up to the present time.

To this end, let me inquire, sir, to whom are we indebted, as a nation, for the fact, that we have not at this time upwards of thirty-seven millions of dollars in funds that are utterly unavailable to both the Federal Government and to the several States, in the different local banks of the country, instead of only some nine millions? The States have received three-fourths of the surplus moneys of the Federal Government, that was brought within the scope of the deposite act of June, 1836. The other fourth part is now in the hands of banks and corporations that are unable, at this time, to pay it back to the people. And I repeat the inquiry, to whom are we indebted for having only this fourth part of the people's money thus locked up in private corporations, and wholly unavailable, instead of having thirty-seven millions of dollars in the same situation? Are we indebted, sir, for this to the little minority of forty to whom the gentleman alluded, and of whom he boasted? If their policy could have prevailed, the people of the several States would not only have had nine millions, but more than thirty-seven millions of their money in the hands of these local banking corporations, unavailable and unproductive of interest, in any event, beyond a very small amount. Sir, this is the story which history now tells us relative to the wisdom and good effect of the deposite act of 1836; and this result verifies the truth of the position upon which I supported that act on its passage.

But my honorable friend said, by way of further reproach upon that act, and by way of eulogizing the minority opposed to it, that the act had created quarrels among the people—arrayed the rich against the poor, and the poor against the rich. Well, be it so. And who is accountable for this consequence? This is the work of the people, and not of the representative. I, sir, have not learnt yet that it is within the province of the representative to question the proceedings of the people, or to hold them responsible to himsef for praise or censure. On the contrary, I have ever acted upon the principle, that it was the province of the people to supervise and question at pleasure the doings of the representative. And to me the argument of my honorable friend on this point seems to prove, if it proves any thing, that the people themselves are not capable of managing their own money, and are not to be entrusted with the keeping or the disposition of it. This is an argument to which I bow no assent. I have not yet acceded to its correctness in practice or theory. Nor do I see in it any thing that induces me to regret that the deposite act of 1836 has succeeded in returning to the people three-quarters of the surplus money beyond the wants of the Government that had been collected of them. I only regret that the remaining quarter is not equally secure to them.

But, sir, I will now come to the provisions of the bill immediately before the committee. I am satisfied of the propriety and expediency of postponing the payment of the fourth instalment of deposites with the States. I am satisfied that the Treasury is not in a condition to pay it at this time. But, sir, I dislike the provision of the bill sent to us for this purpose by the Senate. It reads as follows:

"The same is hereby postponed till further provision by law: *Provided*, That the three first instalments under the said act shall remain on deposite with the States until otherwise directed by Congress."

My objection to this proviso, which varies the bill from that reported by the Committee of Ways and Means on the part of this House, is that, under cover of a postponement, it converts the deposite act of June, 1836, into an act of distribution of the public revenues among the States. It requires the enactment of a law to restore the money to the Treasury. This divests the money of every principle of a deposite. I believe now, as I ever have believed, that Congress has no constitutional power to pass such a distribution act. Without this proviso of the Senate's bill, I would cheerfully accede to the amendment of the honorable gentleman from South Carolina [Mr. PICKENS,] which proposes to postpone the payment of the fourth instalment to a day certain, instead of to an indefinite period, as proposed by the Committee of Ways and Means. I accord with the sentiment expressed the other day by the gentleman from Pennsylvania, [Mr. BIDDLE,] that the intention of a law should be clearly expressed on the face of it. And as I am induced to think that the effect of the bill of the Committee of Ways and Means will be an actual repeal of the fourth instalment of deposites with the States, under cover of a postponement, I should much prefer to see the bill assume the shape of a positive repeal. I cannot say that this is the purpose of the Committee of Ways and Means; they can best tell that; but considering the condition of the Treasury, and the inability of the deposite banks to refund the deposites they have, I should prefer an open and direct proposition to repeal the fourth instalment of deposites with the States, to a postponement "until further provision by law," which appears to me to mean, in fact, a repeal under cover of a postponement. But, sir, as the proposition cannot assume that open shape now, I shall (said Mr. SMITH) vote for the postponement; preferring, however, a postponement to a definite time, as proposed by the gentleman from South Carolina. But, sir, I am against the distribution principle incorporated into the bill sent to us by the Senate; and while that feature of the bill shall be retained, I shall feel bound to vote against it, let who will support it. It is contrary to the original design of the deposite act. It engrafts an odious principle upon it, without any existing occasion for such a change of the deposite act.

Having said thus much as to the particular proposition of the bill, I will invite the attention of the House to a review of some of the positions which have been taken by gentlemen who are opposed to both a repeal and postponement of this fourth instalment. I find, sir, that these gentlemen form two classes. First, a class who insist upon it that they do not understand the report of the Secretary of the Treasury, and, therefore, are unable to perceive the necessity of postponing this instalment. And, secondly, a class who go for a payment of this money to the States at any rate. This latter class is again divisible into two classes—those who claim the instalment as a matter of solemn contract between the Federal Government and the

States, and those who claim it upon the principle of distribution of the public moneys among the States.

Now, sir, to those gentlemen who insist upon it that the report of the Secretary of the Treasury is not intelligible, and that they cannot comprehend it, I have very little to say. It would be presumption in me to undertake to enlighten or persuade them, and more especially after the lucid expositions that have been made of that document by several gentlemen who have preceded me, and particularly by my honorable friend from Virginia, [Mr. JONES.] Gentlemen who cannot or will not understand the condition of the Treasury after these several efforts to enlighten them, must be regarded, by myself at least, as in a hopeless case in regard to this particular matter.

But, sir, for the consideration of those who belong to the second class of opponents to this measure, and particularly to that subdivision who claim this money as a matter of contract, I have an illustration to present; and if it be at all fallacious, I will consider it a favor in any gentleman on the other side, who may follow me, to expose its fallacy. The gentleman from New Hampshire, who addressed the committee on yesterday, [Mr. CUSHMAN,] very nearly expressed the illustration I wish to offer the committee, but omitted it in part; is it this: Suppose, Mr. Chairman, that you should now inform me that you are in possession of one hundred thousand dollars, as you believe, and that after ascertaining what you will be in need of using for your own purposes, you will loan to or deposite with me the surplus. I in turn agree to receive it according to your proposition, and, according to appointment, we meet at your house and count over the money, and find it to be, as we believe, precisely one hundred thousand dollars. We next proceed to ascertain the amount which you need to retain for your own purposes, and find, that to be, precisely fifty thousand dollars, and that, consequently, you have a surplus of a like sum of fifty thousand dollars. On this supposed condition of your finances, and according to your proposition of lending to or depositing with me your surplus funds, to-morrow at twelve o'clock is the time agreed upon between us for me to call again at your house to receive this loan or deposite. Well, sir, at the appointed time on the morrow I call on you; we proceed to count out the money, the same parcel which we had previously counted, and find that we had in fact made a wide mistake in our count of yesterday. We find upon a new count that, instead of one hundred thousand dollars, you have but fifty thousand, and that sum you are admitted to be in absolute need of using, according to the understanding of both of us on yesterday. Now, mark ye, there is no blame attaching to either party for the error of yesterday. You verily believed then that you had a surplus, and when I agreed to receive your money, I understood it to be a surplus beyond your necessities stated at the time. But it turns out that you have no surplus, and consequently cannot either loan to or deposite with me the amount I had made up my mind to accept, and that which you in good faith proposed for me to have. Neither of us is culpable for the mistake in the count, or both of us are equally culpable; no fraud or concealment is imputed to either. Now, sir, under such circumstances, could I, with the face of an honest man, claim of you the loan of the fifty thousand dollars thus promised me and thus expected by me? Would any legal or moral obligation rest upon you to loan me that sum under your promise? Would I have any description of claim upon you for it? Most assuredly every mind must answer in the negative. Suppose instead of our having made the mistake in the count, the whole of your surplus money had been stolen from you, or had been destroyed by flood, or calamity of any kind, after the count and prior to the time appointed for my reception of it, even then I could not, upon any principle of law or morality, claim of you to make the intended loan or deposite. It was only on the supposition of your having a surplus that you made the offer. It was only upon this same supposition that I accepted your offer. And on the instant that we discover the supposition on which we have both proceeded to be a false or groundless one, or that it has failed without the actual fault of either party, both are alike freed from all obligation upon the subject of it.

Sir, this is the precise state of the case between the Federal Government and the States. When the deposite act of June, 1836, was passed, the four instalments were promised to the States by the Federal Government in good faith, not upon the supposition that a surplus in the Treasury not only did exist, but would continue to exist, equal to their payment. When the several States accepted the terms and offers of that act, they did so in good faith, but also upon the same supposition that such a surplus did and would continue to exist in the Treasury of the Federal Government. But, sir, that supposition has failed both parties. It was founded in a mistake, in a misapprehension of the future condition of the Government. No one is censurable for it, but the mistake is now proved to have been made. What claim, then, legal or moral, in equity or in conscience, has any State upon the Federal Government for this fourth instalment? None, sir—none at all.

One great mistake, Mr. Chairman, as I conceive, that has characterized the arguments of all those gentlemen who have claimed these deposites as a matter of contract, is, in not keeping in view the fact that each party, if two parties can be said to exist in this matter, was conusant to the original motive and purpose of the other party, and therefore neither has a right to claim any thing of the other inconsistent with their original motive and purpose. It should be recollected that the lending or depositing party consisted of the people of the United States, and that the receiving or borrowing party also consisted of identically the same people. Hence, there is no room left for dispute as to the purpose or understanding which lay at the foundation of the deposite act of June, 1836. Each knew and understood that the offer on the one side, and the acceptancy on the other, related only to a surplus of money, supposed to be in the Treasury of the United States. It was in this supposition that the contract, if contract we must call it, was made by each party. Now, when it is discovered that this supposition fails, the contract on both sides alike fails. The proceeding is then discovered to have been founded, on both sides, in a groundless supposition, to which the one was as much a party as the other, and for which one is as much accountable as the other. Most certainly it is as great a disappointment on the part of the Federal Government, in not having the requisite and supposed surplus to deposite, as it is to the States in not receiving it; and the error of the States, in disposing of such surplus in any way, before having received it, is as great as that of the Federal Goverment in making the offer of it before it was certain that it would have it to spare conveniently, as a surplus. For my own part, sir, I cannot conceive that the claim now set up in behalf of the States, on the principle of contract, has any validity in it either legal or moral. The moral arguments I have listened to, offered in support of such a view of it, although lucid and ingenious, and I have no doubt sincere, wholly fail to convince me that the view I have taken of this matter is erroneous or unsound. Mine, too, may fail, in like manner, of its purpose upon other minds.

It has been also contended that the faith of the Government is plighted, because an expectation of the money has been created among the States, under the law of Congress; and that to withhold it would be a breach of that faith. Now, I will ask gentlemen who use this argument, how it is reconcilable with the proposition made by the honorable gentleman from Tennessee, [Mr. BELL,] or acquiesced in by him, if coming from another quarter, to repeal and with-

hold from five to fifteen millions of dollars, appropriated by law, to build harbors, light-houses, breakwaters, and roads? Would not such a repeal of appropriations be equally a breach of the plighted faith of the nation, that such moneys were to be expended for such works? Sir, I see no distinction in the principle of the two measures, and in neither do I see any thing that resembles a violation of the public faith.

Sir, those who oppose this postponement or repeal of the fourth instalment, regardless of the necessitous condition of the Treasury, and on the principle of distribution, pervert the purpose of the deposite act; and I confess I was not a little surprised when I heard the gentleman from Pennsylvania, [Mr. BIDDLE,] and afterwards the gentleman from Ohio, [Mr. LOOMIS,] oppose it on the ground that it would deprive their respective States of a certain amount of dollars and cents! Pennsylvania, says the former gentleman, will be compelled to abandon a million of dollars if this bill should pass. Ohio, says the latter gentleman, will lose seven hundred thousand dollars, if this bill becomes a law. Why, sir, to me it appears wholly unworthy of the people of these two great States, to allow the mere consideration of benefit or loss in dollars and cents to enter into either their support or opposition of this bill. I have heard it remarked upon this floor, in other days, that no people like those of the Northern and Eastern States were governed by entirely sordid considerations in matters of legislation; that "no people can see a dollar so far as they can." But, sir, when it is gravely announced upon this floor, that the constituents of the honorable gentlemen to whom I have alluded, are disposed to graduate their opposition to this bill by the number of dollars and cents it may withhold from them, I think the time has arrived when the imputation of sordidness, so often cast upon the people of the Northern States, should be withdrawn, and applied to other quarters of the Union.

[Mr. LOOMIS, of Ohio, asked leave to explain. He said the gentleman from Maine misunderstood him in supposing that he [Mr. LOOMIS] made the loss of the fourth instalment to Ohio, proposed by the bill, his only reason or ground of opposition to the bill; that was only one ground of opposition to it.]

Mr. SMITH proceeded. I understand the position of the honorable gentleman from Ohio, and mean not to misrepresent him. I have not indicated that this argument of the honorable gentleman was his only ground of opposition. But, sir, it is one of his positions, urged by him upon the consideration of the committee, and consequently one which he must have regarded as worthy of the approbation of his constituents. I maintain, in reply, that it is a consideration wholly unworthy the approbation of the people of his great State, and one that is unworthy of influencing the legislation of this House upon this subject.

But, sir, if I could believe the honorable gentleman's constituents were capable of being moved by sordid considerations in this matter—if I believed that their support or opposition to this bill is, through their representatives upon this floor, to turn upon the amount of dollars and cents that their State is to win or lose the keeping and use of, I then, sir, might claim their support of this measure upon information that is communicated in the report of the Secretary of the Treasury now before us. And I call the attention of the honorable gentleman to the fact. In the table appended to the Secretary's report, showing the condition of the public money, I find that there is still on deposite in the banks of Ohio the sum of eight hundred and eighty thousand eight hundred and eighty-six dollars. The fourth instalment of deposites to the State of Ohio amounts to only $669,086—thus leaving an excess of deposites at this time in that State of $211,800—besides $277,050 more not yet paid on drafts already drawn upon the different banks of Ohio, and unpaid. Now, sir, if Ohio is to be influenced by the consideration of pecuniary benefit in this matter, is it not obvious that her people have already more money from the public Treasury on deposite under the existing state of things than her share, and, by postponing the payment of the fourth instalment, she will be likely to keep it, for some time to come at least?

[Mr. LOOMIS here remarked that the people of Ohio were not reaping the benefits of these deposites, but they were only in the keeping of the banks of that State, which were the property of only a small portion of the people of Ohio.]

True it is, said Mr. SMITH, the deposites to which I have alluded are nominally with the banks of Ohio. But, sir, the honorable gentleman well knows, as does every other person, that those banks are not prepared to repay that money to the Government, because they have loaned the money to the people. And although in terms it is correct to say that the whole people have not the money as now on deposite, nevertheless, it is true that the whole people are deriving a benefit from its being within the State. Funds held by your banks are funds used by the people. And hence, I say, the facts of this case show that if Ohio is sordid, (an imputation which finds no place in my argument,) and is seeking only a pecuniary benefit, she has much at stake in availing herself of the credit which the Treasury must inevitably accord to the deposite banks within the State of Ohio, and under a postponement of the fourth instalment. They are holding more than twenty-five per cent. beyond the remaining quota of that State.

The gentleman from Massachusetts [Mr. BRIGGS] has contended, that if the instalments are not paid to many of the States, the omission will create great embarrassment among the people of those States, as they have entered into engagements upon the faith of these instalments. Well, sir, if this argument of local embarrassment is to prevail over the votes of some States, it ought to influence in an opposite direction the votes of other States, where the embarrassment of the people will be aggravated by a payment of the instalments. I find by the table in the report of the Treasury Department already alluded to by me, that not only the State of Ohio, but several other South-western and Western States have much larger sums of the public deposites than their quota of instalments. Alabama has an excess of nearly $600,000, and three times her quota. Louisiana has an excess of more than one million of dollars beyond her quota. Mississippi and Indiana have also each very large excesses. And is not the embarrassment that must inevitably be created in those States by an immediate exaction of this surplus from the banks of those States by the Secretary of the Treasury, to be taken into the account in offset to the alleged embarrassments that will ensue in other States from the omission of the Government to pay the instalments? Sir, the matter is quite as long as it is broad. Embarrassment grows out of it at all events. And since this embarrassment to the people cannot now be remedied on all sides, our first purpose is to disembarrass the public Treasury in the best possible manner. As for the State I have the honor in part to represent here, if mere pecuniary or sordid considerations were to influence its vote here, it would be adverse to the postponement of this fourth instalment. Because, sir, while her quota would be upwards of three hundred and eighteen thousand dollars, she has less than forty-three thousand dollars of it on deposite in the State. The difference, therefore must be brought from other quarters of the Union to the State, to add to the available capital of the State. But, sir, we are uninfluenced by this consideration, as much as we need money there. We look to the necessitous condition of the national Treasury, and in good faith are willing to join in its relief.

The honorable gentleman from Pennsylvania, [Mr. BIDDLE,] in his ingenious, and, to all sides, very interesting

argument, exhibited in contrast the promises of the late administration and of its friends relative to the efficiency of the local banks to serve as depositories and fiscal agents of the Government, with their present crippled and embarrassed condition; and he connected the embarrassments of these institutions with the present proposed measure, by way of attaching odium to it as an administration measure. He also improved the opportunity of eulogizing, in contrast with the local banks, the Bank of the United States. Now, sir, it is admitted, on all hands, I believe—it is, so far as I know—that the deposite banks have somewhat disappointed the expectations of the administration. No administration could calculate on the present state of things, or the present condition of those banks. But I say this not to censure those banks, for I am not of opinion that they have, in general, dealt in any bad faith with the Government. But, sir, I advert to the remarks of the honorable gentleman to say that, if he could have demonstrated that, while the expectations of the administration and the assurances of its friends relative to the efficiency and soundness of the local deposites have failed, or been disappointed, the Bank of the United States has not, in like manner, failed the promises and expectations of its friends and advocates also, there would have been something in the contrast which the honorable gentleman has exhibited entitled to weight. But, sir, has the much-boasted Bank of the United States stood in its strength, and fulfilled its obligations, unlike and distinguished from the mass of local and deposite banks throughout the country? No, sir; it has failed, as the latter have, and sunk beneath the accumulated embarrassments of the mercantile and trading world; and while its friends ask that it be not regarded with censure for it, they assuredly ought to accord the same charitable judgment towards the friends of the local institutions; and while its friends assert that the promises of the national administration relative to local banks have failed, they should be willing to admit, also, that the promises of themselves relative to their favorite institution have failed in like manner. Thus the account stands square again between the parties.

The gentleman from Pennsylvania [Mr. Biddle] further says, there is no occasion for legislation on this matter; if the Secretary of the Treasury should not have the money to pay to the States on the first of October, he can say so to the States; if he shall have it, let the deposite act be fulfilled. Sir, this recommendation of the honorable gentleman does not accord with that frankness for which he has contended, and to which I have given my assent, in relation to the provisions of this act. He has said we ought to express clearly in our act what we mean. I say so also. If I meant to repeal this fourth instalment, I would say so. If I meant only to postpone its payment, I would say so. And if I meant to have the Secretary either pay over or not pay over this instalment to the States, I would say so. I would not leave the Secretary without any positive directions on the subject. He has told us that the present condition of the Treasury will not admit his paying it. Now, if we mean he shall pay it, nevertheless, let us say so, and give him the means. Instead of ordering ten millions of Treasury drafts, let us order for his use twenty millions, and enable him to pay the instalment of deposite to the States. If we don't mean this, let us tell him so, and either repeal or postpone the payment. It would be unjust to the Secretary, on the information he has given us, to refuse legislation on this subject one way or the other. We would be unjust to the States to do so. If the payment be not postponed or repealed, the States will expect the payment in good faith. We must not and ought not to leave this subject to uncertainty, and it would be the height of injustice to all concerned for this House to do so.

Mr. Chairman, I have but a few remarks to add, and these relate to a topic which has not seemed to me to have any special connexion with the subject now under debate. But the gentleman from Pennsylvania, [Mr. Biddle,] and also the gentleman from Ohio, [Mr. Loomis,] have introduced it, and brought it to bear upon this measure, as an administration measure, and, as such, to prejudice the measure in the public mind. These honorable gentlemen have alluded to the recent election in Maine as an expression of the public voice of that State upon the measures and policy of the present national administration. The voice of the people, from both the West and the East, say they, is coming up to us in condemnation of the administration. Sir, I profess not to know what the voice of the people of the West is relative to this administration. The gentleman from Ohio, I dare say, may in sincerity think he knows it; and to his superior means of information on this point, I bow with all respect. But the honorable gentleman must allow me to understand quite as well as himself, to say the least, what the voice of the people of the East is relative to the administration, and particularly the voice of Maine. I can assure that honorable gentleman, and every other person desirous of knowing the truth of this matter, that the result of the recent elections in Maine is not an expression of the sense of the people of that State relative to either the present or late administration: it is a result that has been shaped by local and personal considerations alone. It is the result of divisions existing in the ranks of the administration party there. And whether the intelligence we now have relative to the result of the elections in that State be authentic or otherwise, it does not embody the sentiment of that people in relation to the national administration. I think I have not a colleague upon this floor who will gainsay this statement. On the contrary, sir, I can assure every gentleman—and I do not this for effect, and only because the subject has been introduced here under a most erroneous, though probably most sincere, impression—that at no period have the people of Maine been more decidedly with the national administration for the past six or eight years than they were at the period of the recent election. And I do most advisedly admonish gentlemen who are opposed to the principles that the people of Maine have for several years sustained, not to include, in counting up their jewels, the people of that State, if they would not be deceived themselves, nor deceive others.

Note.

Washington, Oct. 6, 1837.

Messrs. Gales & Seaton: In the speech of Mr. Smith, of Maine, published in the Intelligencer of this morning, several explanations imputed to me are inaccurately reported.

In the first explanation, I stated explicitly, that I had in my remarks of the 21st of September, claimed *that the fourth instalment was justly due to Ohio.* That explanation, connected with what I had said in relation to the application of the proceeds of the surplus revenue by Ohio to the purposes of education, I regarded as sufficient to rescue myself and my constituents from all imputations of *sordid* motives.

In the second explanation imputed to me, my language was, I believe, precisely this: the "gentleman is probably not aware that my constituents have no interest in those deposite banks," and not the language imputed to me. The sole object of this note, which I desire you to publish in the next paper, is to repel, on the part of my constituents and myself, the imputed influence of motives which had no existence, and which are not justly chargeable to the claim of right and justice which I urged on behalf of my constituents, and the State which I have the honor to represent in part.

Respectfully, yours, A. W. LOOMIS.

Mr. THOMPSON, addressed the House as follows:

Mr. Speaker: I shall vote for the amendment of my colleague, as it makes the bill more acceptable; but I shall vote against the bill, even if thus amended. Time and reflection have only served to confirm my first impressions of the wisdom and policy of the law depositing with the States the surplus in the Treasury. The chief recommendation of that law, to me, was not the money which it gave to the States—that was a small matter; but it was that a fund was provided to meet the future exigencies of the Government—a fund which was to be raised by each particular

State in its own way, with a just regard to the different interests of each State which could best bear taxation, and not by the majority interests of the General Government, alike ignorant and reckless, as past experience has proven it to be, of the interest and circumstances of the respective States. If there were now a deficiency of resources, I should feel constrained, by the principles upon which I supported that bill, by plighted faith, and the peculiar interests of those I represent, not only to give back this fourth instalment, but all that we have received. No such case exists. I have examined the statement of the resources of the Government presented by the gentleman from Tennessee, [Mr. BELL,] and have made the calculation in various forms; and, sir, I am satisfied that he has demonstrated (for it is a matter of figures) that there is no deficiency of funds. Charging the Government with all the demands upon it, including the fund of $37,000,000 set apart to be distributed among the States, the unexpended appropriations of last year and the appropriations of this year, and you have an aggregate of $85,000,000. Of this sum the Secretary informs you that $15,000,000 cannot be expended during the year, reducing the amount to $70,000,000. The payments made, and the admitted resources of the Treasury, amount to $64,000,000; to which add $5,000,000 in the hands of disbursing officers, and you have $69,000,000. In this estimate, the accruing revenue of the last half of the present year is taken, on the statement of the Secretary of the Treasury, at $7,000,000; whereas it has been proven to my entire satisfaction that it will exceed $9,000,000. So that, instead of a deficiency, there will be a surplus, even if you do not withhold from the States this fourth instalment. I am unable to perceive why money in the hands of disburing officers of the Government is not as much the money of the Government as if it were in the Treasury. It is only one step nearer being paid out—that is all. The Government can order these officers to pay it back into the Treasury, only to be paid again to the disbursing officers. If, then, sir, you withhold this fourth instalment, you leave in the hands of the Government $9,000,000; to which add the $12,000,000 of Treasury notes, and you have a surplus of $21,000,000—not to meet the wants of the Government, but to be deposited in your sub-treasuries. I have another and an insuperable objection to this bill. The States will receive the fund in the bills of the State banks. The General Government will not, and cannot, receive it but in specie. The officers of the Government will be constrained by law to demand it in specie. They will be constrained by that which, with them, is stronger than laws or constitutions—by party obligations and an irresistible necessity to play out the desperate game they have commenced. I will not arm them with this terrible power over the deposite banks in their mad and ferocious experiment of a metallic currency. I would sooner see the whole amount of the fund sunk in the ocean, than the wide-wasting ruin which a demand on these banks for $12,000,000 in specie would produce. At the very moment that you are asked to adopt a measure which must lead to this pressure on the deposite banks and their debtors, it is recommended further to indulge the merchants on their bonds. Why this discrimination? If you press the deposite banks, is not a corresponding pressure upon their debtors inevitable? Why, I ask, are they to be pressed, when the merchants are to be indulged on their bonds? I would at this time press neither. These considerations bring up at once the sub-Treasury scheme and the matallic currency. They are all cognate branches of the same system of measures, and one of them cannot be properly considered disconnected with the others.

As to this new expedient of sub-treasuries, I am opposed to it in any and every form in which it can be presented. This new expedient! yes, sir, the old word *experiment* is somewhat odious; I have not heard it from the mouth of an administration man for some months. No, sir, it is an ugly word: I fear that if the present regime is to continue, one half of the words of our language will become equally odious. I like this new word better. It is singularly appropriate. It is one evidence of a better state of things—that the Jack Cade banner, which has been for eight long years floating over us, with the motto "hang all the school masters," has been lowered. The meaning of this word "expedient" is "means employed in an exigency." If our whole language had been searched, a word more singularly significant could not have been found. But I cannot consent, by this dangerous expedient, to relieve our rulers from an exigency into which they have been led by confident folly and reckless ignorance. I have been too long denouncing this scheme of sub-treasuries as a tremendous engine of power and corruption to support it now, although it may be called by another name. By giving to a coiled anaconda a harmless name, I will not be induced to lay my head upon it. It is said that this is not a sub-Treasury system. Indeed! will some gentleman inform me what has heretofore been understood by a sub-Treasury system? Will he give some definition of such a system which does not describe that which is proposed to us? It is the very system which was first suggested by a very worthy gentleman with a very savage name (Mr. Gouge,) with the exception that it does not specially direct the sliding shelves and hydrostatic balances. In every important particular, in every point of political danger, in surrendering to the President the unlimited control of the public purse, it is the precise system which, a few short months since, was so generally and justly denounced. It is, sir, a sub-Treasury system; I go farther—it is not only the embryo, it is the living form and shape and substance of a Government bank, and that in its most dangerous form. Sir, it is one of the most melancholy signs of the times. The sword of the Government was absolutely surrendered to the late President. The present incumbent not being exactly the man to wield the sword of Achilles, as if in the very wantonness of a surrender of every guaranty of public liberty, it is now proposed to surrender to him an instrument more compatible, but not less powerful—the purse of the country. Is any patriot willing, on the eve of a warmly contested election, (in the city of New York for example,) upon which the destiny of the republic may depend, to trust five millions of the public money, with the power and the temptation to use it, in the hands of one man—and that one man the appointee of the President, whose very bread may depend upon the result of that election, as it may turn in favor or against the administration? Suppose a wicked and ambitious man filling the Presidential chair, (and these are things to be looked to and guarded against, for confidence is not a republican virtue,) will he not place at the head of these treasuries his own corrupt minions and parasites? Are you willing to place in his hands twenty millions, to corrupt your people and perpetuate his power? I said, sir, that it was in fact a bank. I care not by what name you may designate it. It is admitted to have that character as a place of deposite. Will the system not also necessarily involve the business of discount and exchange? How are your funds to be transferred from places where they are redundant to places where there are none? By hauling money from New York—say to Pittsburg? No, sir, but by drafts or bills. These bills will be bought at a premium when above par; at less, when below par. What power of speculation and fraud do you not thus place in the hands of your agents? How many losses shall we not suffer from bills thus purchased and not paid? Who is to lose in such cases, the Government or the agent? We shall have hundreds of applications to release our agents from such liabilities, of the same character as the famous Purviance claim. But it may be said that transfers will be made by drawing drafts on those places where the funds most accumulate. Does not every one see, by whatever

name you may call it, that this will make of the agency in New York a great central power, around which the whole system must revolve, dependent upon it for light, heat, and motion? Then as to issue. Is it not proposed that the drafts of these agencies, and the Treasury notes about to be issued, shall be the currency? It will then be a bank of issue, deposite, and discount, and in its worse form, with greater insecurity, greater power and temptation to speculation and dishonesty, and greater facility of using the Government funds for corrupt electioneering purposes, than with a bank at Washington, with branches distributed all over the country; as the security against all these is greater with an institution with twelve men to manage it than with one.

Why, sir, shall we be driven into this dangerous and untried expedient, when, to say nothing of other plans, that of special deposites with the banks is better in every possible point of view? In Spain, where a system of sub-treasuries exists, it is estimated that not more than one-fourth of the revenue received ever finds its way into the public Treasury. In France not more than half. The banks will be more cheap depositories all will admit; more secure, as the responsibility of the banks will be greater than that which can be secured from a private individual. The facilities of transfers of the public funds will be greater, and the risk and the patronage less. Let me state a case; and stating it furnishes the answer. Two millions are deposited with a sub-treasurer, who is the appointee of the President, of the same political party, and dependent for his support upon his salary—say $3,000—and for that upon the President. The same amount is deposited with a bank of a million capital, receiving the same compensation, to be divided amongst a thousand stockholders; over which is the President likely to wield the greatest power? Would special deposites with the banks increase their power? I cannot, for the life of me, see how. But the banks, it is said, are not to be trusted. Is this true, sir? Will any man rise in his place, and say that he would fear to deposite his own money, jewels, or plate, in a bank, or that he would have the slightest doubt of having them restored to him on application? But the banks have stopped payment; they are therefore broken. Is an inability to pay specie equivalent to insolvency? Between man and man is it so regarded? Does he who holds the note of his neighbor for one hundred dollars, who is worth one hundred thousand, regard his debtor as insolvent, or his debt insecure, because he has not the hundred dollars in specie? The promise of a bank to pay is no more than that of an individual. It is a promise which places it in the power of the creditor, in both cases, to exact specie, or to sacrifice the property of the debtor if he fails to pay it; with this decided advantage on the part of the bank, that the creditor is fully informed of the condition of the bank, and well knows that the bank has more notes out than it has specie, and more than in times of panic and apprehension can, by any possibility, be commanded. The credit is not given on the faith of the bank having specie, but that it has property, or, what is the same thing, liens upon the property of its debtors to meet its engagements; that property being a measure of the value of which constitutes the great value of specie, and to buy which specie is alone wanted.

Take as an example the condition of the deposite banks in the State of New York. They had, at the date of our last annual Treasury report, $4,087,678 in specie to meet demands upon them of $44,737,475; and yet, knowing this, the Secretary made his deposites, and gave to Congress the most confident assurances that the public money was safe. So it was, sir; not because the banks could pay all their obligations in specie, but because they could pay, and have paid, nearly the whole amount in that which alone was expected.

The banks not only acted wisely and honestly in stopping at the time they did, but they would not have acted thus if they had continued to pay until their last dollar was exhausted. It would have given a preference to some bill-holders and depositors over others—that very preference which it is the object of a bankrupt system to prevent; and might, besides, have put it out of their power to pay their other debtors any thing. No, sir, the banks are not only entitled to the approbation, but to the gratitude of the country; and that they have received both is conclusively shown by the fact that everywhere the people have abstained from the exercise of their power to coerce payments in specie. They have stood—nobly have they stood—between the people and general bankruptcy. They have done more: they have enabled our merchants to save their own high character and that of the country from the infamy of paying their debts by wilful and fraudulent bankruptcy—a course recommended to them by those, and the organs of those, in high places.

But, Mr. Speaker, the insolent effrontery of these charges upon the banks must excite a just indignation, when it is seen that every single act imputed by the Government to the banks as a crime has been committed by that very Government, not only without excuse, but with aggravated enormity. The Government has stopped paying specie, when it is unquestionably in its power to do it. It may at any day raise funds in specie by loan; the banks cannot. The Government has caused, by its action, the impossibility to pay specie; the banks have not. The Government, whilst it refuses to pay its debts in specie, demands specie of its debtors; the banks only demand the same currency that they pay. Take the conduct of the Government in the matter of the French indemnity; that indemnity, rather than delay which for three months, until the meeting of the French Chambers, we were well nigh being involved in war. After it was obtained, instead of allowing the claimants to draw for it, and have the premium of a foreign bill on their own money, it is delayed for a year that it may be brought home in specie, at the loss of the premium, the delay, and the expense of transportation. When it arrives, is it paid in specie to the claimants by the Government, their mere agent? Oh, no, sir, but in paper; and the very next day the man who was refused his own specific money, if he owes to the Government, (yesterday his debtor, and refusing to pay specie,) is forced to pay his own debt to the Government in specie. If the banks had been guilty of conduct so flagrant and flagitious, what shouts of indignation should we not have heard from one end of the Union to the other? But the banks have shipped specie to England—a charge, I believe, wholly without evidence; but, if true, has not the Government done the very same thing? Has it not very lately paid a debt to the Barings in specie?—to those odious Barings, who have been guilty of the unpardonable offence of placing in this young and vigorous country, with its immense energies undeveloped, that capital which we needed, and giving the sole control of it to American citizens. But, at worst, it is but a discrimination between creditors; and a charge for it comes with an ill grace from a Government which pays us, who hold the rod over them, in gold, whilst they pay to the time-worn veterans of the Revolution, and to the soldiers in your Florida campaigns, bank rags. Sir, impudence and effrontery can go no farther.

I am, if possible, still more opposed to the other untried expedient, of demanding the dues of the Government in specie. I will not venture on the experiment in the present condition of the country, how gradual soever the process may be. I will not take any more drugs from quacks who have reduced me, in their recklessness and ignorance, from a state of health to one of almost desperate disease. I will not venture on another and a violent and dangerous

remedy in any state of the system, and especially in the present condition of feebleness and inanition. I will not now, by the slightest movement, shake public confidence, at a time when I regard it the first duty of a statesman to restore it. Especially will I not venture upon a measure which I believe to be absolutely impracticable, and undesirable if practicable. If we were in a state of nature, and about for the first time to enter into social relations, and form a Government; or if we could, by a universal agrarian law, divide every thing equally—money and property—abolish debts, and to begin *de novo*, I should even then doubt about this metallic currency. But, taking the world as we find it, the thing is impracticable; or, if practicable, only to be attained by that universal change in the personal circumstances of men, that wide-wasting ruin which no people can or will bear. It is an old saying, that it is easy for bystanders to make observations. It may be, that those who owe no debts, or those who, having debts, are reckless of the moral obligation to pay, or beyond the reach of legal coercion, can look with complacency upon the scene of universal suffering and misery which will result from a return to a specie currency. I regard a depreciating or diminishing currency as one of the very greatest scourges of man. Pestilence has its horrors, but they are temporary; war has its toils and sufferings, but it has its glories and its triumphs too. But the misery produced by sweeping whole classes of society from ease and affluence, to a condition of poverty, helplessness, and despair, is deep withering, and permanent. It does seem that philosophy has been teaching by example to little purpose. In every similar crisis in other countries, the conduct of Government has not been like that proposed to us—the cold, selfish, and heartless policy of the greedy miser sternly exacting his own dues, and careless of the universal suffering of others. No, sir, it has been kind, paternal, wise, and efficient; taking their full share of the sufferings and embarrassments of their people—rejoicing when they rejoice, sorrowing when they sorrow.

On the bursting of the Mississippi bubble in France, when the indebtedness of the people was more than the value of the whole property of the kingdom—a time of dismay and despair—the Government stepped forward and restored confidence and business, and gave repose and happiness to its people. The same was the course of England on the blowing up of the Mississippi scheme.

A more striking instance than either was the memorable year, in England, of 1793; a period of unprecedented embarrassment and difficulty. The Government came forward, not as a grinding creditor, but to relieve the general distress, by the issue of five millions of exchequer bills. The fiat of Omnipotence could not have been more instantaneous than the effects of this order. Before one cent was issued, confidence was restored, and not more than half the sum was ever drawn. So would it be here. Our Government has it in its power, by the simplest means, to re-establish confidence, and restore business to its accustomed channels. But it cannot do this by expressing its own distrust, by the demand of specie. Our whole disease has been more a disease of credit than of currency. It is the fashion to say that our currency is redundant. Will gentlemen, before they talk of redundancy, tell me what is their measure of the proper amount of currency—what proportion to the value of property, to importations, or internal commerce? When they shall have fixed upon this standard, they will have done what the ablest writers on political economy have hitherto failed to do. I venture the proposition that, according to all the established indicia of redundancy, our currency never has been redundant. Will you take as a standard the currency of France? By the last accounts I have seen, the specie alone of France was £120,000,000, or about $600,000,000; if to this you add a million of paper, you have $700,000,000, with a population just double ours. But it is a law of currency, that it is required in an inverse ratio with the denseness of population. Our population is more diffused than that of France, and our internal commerce much greater. I am satisfied that we require as much currency as France, yet ours is $140,000,000—less than one fourth. I speak of paper; for specie, for years, has not been an article of currency, but of commerce.

But take the established criteria—the rate of exchange, or the market price of bullion; and neither has indicated any excess. But these are uncertain, and liable to variation from other causes. There is one rule which, in my judgment, cannot fail. It is this: can articles be purchased in our currency and sold in a foreign market, where the currency is sound, at a profit, after paying expenses? If so, our currency cannot be unsound, or else an unsound currency is as good as a sound one; for this thing of excess of currency only exists in relation to other countries. By this standard, our currency has never been sounder than it is now. Will you take the specie basis? Never has that, either in the banks or in the country, been greater than now. In 1833 it stood thus: $17,000,000 specie to $78,000,000 circulation; now it is, even after the banks have been depleted by the panic, $30,000,000 specie to $140,000,000 circulation. If you take the aggregate specie in the country, we have $80,000,000 of specie to $140,000,000 of circulation; a larger basis than has existed at any former period. No, sir; with our sparse population, vast internal commerce, and undeveloped energies and capacities, twice the amount of currency that we have ever had would be a blessing instead of a curse. We have only been enabled to get along at all, by the deficiency of currency being supplied by bills of exchange and other forms of credit.

It is a mistake to say that our paper has depreciated. Specie has appreciated; paper, to every other article, bears the same relation it has heretofore done. Specie is in greater demand. The great law of demand and supply, which is the foundation principle of the whole system of political economy, applies to specie as to every thing else. The return of Bonaparte from Elba raised the market price of specie, in one night, forty per cent.; were not bank notes as good as they were the day before? Yes; but specie, by the demand for foreign uses, was raised in value. So in the case of the suspension of specie payments by the Bank of England in 1797; what caused it? All the writers on the subject say, the demand for foreign exportation, on account of the large importation of corn, and the payment of foreign subsidies, added to the apprehension of invasion by the French. Precisely so here: the demand for specie to meet the demands of excessive importation, and that panic and apprehension which was caused by the war of the Government on the currency, as evidenced by the Treasury circular and other measures. Yes, Mr. Speaker, I have been so long arguing that the removal of the deposites, and the Treasury circular, would produce the present state of things, that I have at least persuaded myself that the cause of our present difficulties is to be found there; and now, that the events predicted have happened, I am not willing to forego the exultation of prophecy fulfilled. The demand of his rents in specie by a single land-holder in England (Lord King) produced a sensation all over the kingdom. What effects will not be produced by such a discrimination by our Government, the great creditor and money dealer? Sir, it is in vain to tell me of two currencies in the country: one for the people and one for the Government; they cannot co-exist. The demand for specie will sink your paper from twenty to fifty per cent., and men will not receive their dues in the depreciated medium; they will demand specie; and then come the sacrifice of property for one-tenth of its value, relief laws, popular commotions, and God only knows where it will or where

it should stop. And this, sir, is the avowed purpose of the original author of this system—he who, for being its author, has obtained the *sobriquet* of "the great humbugger." He avows his purpose to make gold and silver the sole currency of the country, and to accomplish this by refusing any thing else for Government dues. But from whence is this specie to come to pay duties, and supply the deficit in our currency? From England? Do gentlemen, with a remaining feeling of our colonial condition, look to the father-land as to a place where every thing abounds? Is England that El Dorado which an illustrious Englishman once represented America to be? England has only about $140,000,000 of specie. Every dollar withdrawn from that country injures us as much as it does England. It disturbs that equilibrium, as important to us as to England. Have we not recently had proof of this, as well as of the greater wisdom and sagacity of that enlightened Government, in coming to the rescue of American houses and American commerce, whilst we were waging a barbaric war upon hers? But, suppose you do get specie from England, you cannot pay for specie and manufactures both, with the same cotton and rice. What then? Are we to live without them, with no revenue from imports, and buy American manufactures at prices greatly enhanced? But, suppose foreign goods are imported; is not the payment of the duties in a currency twenty per cent. more valuable than that for which they are sold, a clear addition of twenty per cent. to the tariff? I have been taught to believe that every impediment to foreign commerce is a duty upon that section that supplies the articles of that commerce. In other words, I believe in the truth of the famous forty-bale theory. Believing so, I cannot consent to impose so heavy a burden on that commerce in which my constituents are so much interested. Suppose we paid duties of twenty-five per cent. on the cotton we exported; would it not be a grievous addition to that duty to demand it in specie? If the doctrines of the school to which I have been attached be true, it is an equal burden imposed upon the imports received in return for our cotton; and this was the ground upon which cash duties were so strenuously resisted. What was the difference between cash and a short credit of a few months, compared with this appreciation of the currency in which the duties are paid? You had as well add twenty per cent. to the tariff, as to add twenty per cent. to the value of that in which the duties are paid.

Suppose that it was proposed that foreign goods should not be allowed to be imported unless they had made a voyage around the Cape of Good Hope: every man would see that it would be a tariff in disguise. Sir, we have heretofore staked our lives and fortunes upon a resistance to that policy. Nay, more, sir, we put in peril the institutions of the country. I will not now contribute to reinstate in its full vigor that odious and unequal system.

But, sir, there is another view not less strong, in which this thing is presented to my mind. I have seen somewhat of the tendency of the disbursements of this Government. They are all eastward. With the Government fairly and justly administered, it must be so; as it is administered, it is one eternal tide that knows no reflux. The depletion of the South and West of their specie—of that which is literally the life-blood of the system—which would take place, is not to be estimated. Take for example the States of South Carolina and Kentucky—a southern and a western State. They pay, directly and indirectly, not less than a million and a half annually of duties on imports. Both States receive back from the Government less than $200,000. Is such a drain of specie long to be endured? More than all this, sir: New York is our great commercial emporium: it is to America what London is to Europe—the place where payments are to be made, and where prices are to be regulated. It is there where specie will be most wanted, where its value will be highest; and that is the point to which it will tend, by a law as irresistible as that by which water finds its level. I appeal to every man from the plantation States, and from the West, so indissolubly connected in interest with us: is this a time—when the delicate and doubtful question of demand and supply of our great staple, cotton, is trembling on its balance—is this a time to be tampering with insterests so vast? Is it wise in us to adopt a course of policy which shall force upon our great customer the alternative of buying of us and paying in specie, or of looking to other countries, to her own vast East Indies, for her supply, and encouraging its production? In the presence of such dangers, if, with the best intentions, I should do any thing to produce consequences so tremendous, I could not easily forgive myself. If, from any considerations of a party or selfish character, I should do so, I should expect the time to come when I would pray for the hills to fall upon me and protect me from the wrath of my injured constituents.

And, sir, if we could, without any of the evils apprehended, attain this political millennium, what are its wonderful advantages? The cant and the slang of the present day is against banks and corporations; in other words, sir, a war upon civilization, and an effort to abolish it. I regard them as both the signs and the instruments of the highest civilization. How many of your manufacturing establishments, your railroads and canals, would have existed without banks and charters of corporations? To how many men of talent and enterprise has the banking system furnished the means of rising from poverty and obscurity to rank and power? It is, sir, the great instrument of the distribution of wealth. It is the only just agrarian principle; and in my heart I believe that it is especially beneficial to the poorer classes, to those whose ignorance and passions have been operated upon to array them against it. What has enabled England to sustain both herself and the cause of human liberty for the last hundred years? Her banking system, mainly. Contemplate her grand and glorious career in letters, arts, and arms, and say if you would think it well to exchange them for the blessings of a hard currency, as exhibited in Spain, or even in France? No, sir: abolish your banking system whenever you will; you may drag along through a period of peace; but let a period of war come, and you will have, as you always have had, to resort to it. Is this a time to talk of returning to a metallic currency, when the supply of the precious metals has diminished one-half, and the demand is daily increasing; when wise and able men are of opinion that there is not enough of them in the world even as a basis of currency?

But we are told by the President that he is of too strict a sect of the States rights creed to recognise any power in the Government to relieve the sufferings of the people. Most modest and unassuming President! as free from all arrogance and assumption as a chief magistrate, as he unquestionably is in private life; and I do not know a more prepossessing gentleman. The Government has power to produce ruin in the country; none to relieve it. The message itself attributes our present condition, in a great degree, to the action of the Government, to the distribution bill, and to the large loans made on the Government deposites. I was a little surprised at this, when I remembered, sir, that these loans were made under the direction and dictation of the "greatest and best" himself—of that "illustrious chief, under whom it was honor enough to have served, and in whose footsteps he was pledged to follow." It was regarded as one of the most degrading acts in the life of the great Bacon, that, in applying to King James for a high office, he said of Lord Coke "He will seek reputation for himself; but as for me, I shall only seek *gloria in obsequio.*" I suppose the President did know that he was not the first to tread the paths of subserviency, but that he did not know that he was not the first to use the

very same words of fawning. It was only a coincidence, resulting from congenial natures.

But, sir, to return to this disclaimer of all power to interfere with the internal concerns of the States. It is surely found in strange company with a proposition of a bankrupt law extending to the banks—and, what is most strange, at the very moment that it is proposed to cut the Government loose from all connexion with these banks. If the Government is to have nothing to do with the banks, what business of this Government is it whether they are well managed or not? The President is a little equivocal as to what he means by a bankrupt law. He does not tell us whether he means the law of the twelve tables, *de debitore in partes secando*, the law which directed the cutting up the body of the debtor and dividing it among his creditors, or the English law of bankruptcy. I suppose the latter. Now, sir, there are some curious things in this same law of bankruptcy. Let us apply them to State corporations. Some of the States—my own, for one—is a banking corporation itself. I will give you some of the acts which constitute bankruptcy and their consequences. One is, departing the realm. Well now, sir, my State will not do that as long as you will treat her tolerably well; but if she were, a commission of bankruptcy would be a notable remedy. Another is, voluntarily procuring himself to be arrested. I think we have had some experience that the State will not be apt to do that. No, sir, her turn is not in that way. A third is, petitioning the King for relief: that is not in her line either. But when the commission issues, all the assets are to be surrendered. Now, the assets of our State bank are the whole property, real and personal, of the people of the State. It would be "a right merry sight to see" your commissioners—from Wall street, perhaps—going to take possession of the State of South Carolina, under a commission of bankruptcy. But, sir, there is some consolation, nevertheless. The commissioners are empowered to make a small allowance to the bankrupt; "by which allowance, (says the law,) and his own industry, the bankrupt may again become a useful member of society;" so that my poor State is not to be thrown on the common altogether. Sir, a proposition of this sort is not a fit subject even of ridicule. It is an audacious and impudent assumption, for which, in the worst periods of English history, the monarch would have put in jeopardy his crown, if not his head. I am opposed, sir, to this separation of our Government and its fortunes from the people and theirs. It is the very first principle of a representative Government, that the interests of the governors and the governed shall be the same. It is the only effectual security against oppression. I have as much attachment to the Government of my country as becomes a free man. No country ever was great without that feeling. But I am not willing to see prostrated before its Juggernaut car the prosperity and happiness of the whole people.

After Mr. THOMPSON had concluded—

Mr. HALSTED addressed the House as follows:

Mr. Chairman, I regret that I am compelled, at this late stage of the debate, to trespass upon the attention of this committee, while I present to their consideration some of the reasons which have operated upon my mind to induce me to withhold my assent to the passage of the bill upon your table.

Sir, I consider the passage of this bill as unnecessary and inexpedient; and, under these two general heads, I shall endeavor to comprise the observations I have to submit to this committee.

The friends of this bill have advocated it as necessary, upon the alleged ground of a deficiency in the Treasury to meet the current expenditures of the Government. It is incumbent on those who, in this day of calamity, would take from the people the sum of $9,367,214 98, to prove that deficiency beyond all doubt. I have carefully read over the report of the Secretary of the Treasury; and it might seem arrogance in me to say I understand it, after so many gentlemen in this House, older and abler than myself, confess themselves unable to comprehend it; and when the chairman of the Committee of Ways and Means informs us that to understand Treasury reports is a science, and that he, after sixteen years' service in this House, could not understand it; but that he went to the Treasury himself, and there, from the records of the Department, made out his explanatory statement of the state of the finances, which has been laid on our tables. But so far as I do understand the report of the Secretary, it does not appear to me that there is any deficit in the public Treasury. The statement and calculations of the member from Tennessee [Mr. BELL] are entirely satisfactory to my mind to prove that there is no deficit. But it will, I think, be conceded, after the various views and calculations which have been made by honorable gentlemen who have preceded me, all differing as to the amount really in the Treasury, that it is at least doubtful whether there is or is not any deficiency to meet the public expenditures. Then, sir, if a doubt rests upon this subject, that doubt ought to be solved in favor of the people. As guardians of the money of the people, when we are asked to unlock their coffers, and take out $9,000,000, and place it in the hands of the Government, prudence, as well as democratic principle, of which we have heard so much in the course of this debate, requires that something more than a doubtful case should be made out. The advocates of this bill appear to have taken it for granted, that if they proved the existence of a deficit in the Treasury, they had proved the necessity of passing the act. The conclusion does not follow; they must go one step further. They must not only prove there is a deficiency in the Treasury, but they must prove that there are no other available funds within the power of the Government, to which it may resort to supply that deficiency. For, if there are other sources from which to supply all deficiencies to meet the exigencies of the Government, without resorting to the fourth instalment required by law to be deposited with the States, then I cannot vote for this bill. I will for the sake of the argument, admit that the excess of expenditures over both the receipts and the balance in the Treasury at the commencement of the year is $5,876,565, and that $1,000,000 more will be required for the efficient operations of the mint, and three or four millions to answer sudden and contingent calls on the Treasury: the aggregate sum thus required by the Government for all these objects is $10,000,000, which the Secretary tells us must be obtained either from the deposites or some other source. The question then is, cannot the Government make up this sum, wi hout withholding from the States $9,000,000 and upwards, to which they are entitled under the deposite act? I undertake to show that it can; and I would make up this sum from the following sources: First, it appears that there are $5,000,000 in the hands of disbursing officers of the Government. This money is just as much within the power of the Government as if it was in the Treasury. I see no reason why this large sum should be left in the hands of disbursing officers; it might just as well be applied to the purposes of the Government as to be lying idle in the coffers of the officers or the vaults of a bank; and $3,000,000 of this sum, at least, may be withdrawn from their hands without any detriment to the public service. Secondly, the Government is in the possession of the bonds of the Bank of the United States to the amount of $8,000,000. The whole of these can be sold at once, if necessary, and thus the whole deficiency can be supplied. But this is not the only source to which I would resort to supply the deficiency; for, in the third place, I would repeal some of the laws passed at the last session, making unnecessary appropria-

tions. The President, in his message, (page 19,) accounts for the fact that the receipts of the current year fall short of the expenditures more than was anticipated, by saying that "it is to be attributed not only to the occurrence of greater pecuniary embarrassments in the business of the country than those which were then predicted, and consequently a greater diminution in the revenue, but also to the fact that the appropriations exceeded, by nearly $6,000,000, the amount which was asked for in the estimates then submitted." If the Government did not ask for these appropriations, and do not want them, surely the money appropriated to these unnecessary objects may, without any detriment to the public service, be now diverted from such unnecessary objects, and applied to the more urgent demands of the Government. The items of unnecessary appropriations made at the last session of Congress, which may be dispensed with for the present, were fully enumerated by the honorable member from Tennessee, [Mr. Bell.] They consisted of appropriations for the construction of additional mints and machinery; for public works in this city, such as a new Patent office and Treasury; for armories; for the armament of fortifications, arsenals, canals, equipping the militia, building vessels of war, light-houses, clearing out rivers, public roads, custom houses, and the exploring expedition. The amount appropriated to these items is $6,376,734. Three or four millions might be saved to the country, and taken to meet the present exigencies of the Treasury, by repealing some of these appropriations. The honorable member from South Carolina [Mr. Pickens] characterized these appropropriations as not only extravagant, but many of them fantastic and useless. And, sir, in looking over the "act making appropriations for building light-houses, light-boats, beacon-lights, buoys, and dolphins," I could hardly withhold my assent to his remark; for I saw in that act appropriations for almost every variety of name and object, from "Saddleback ledge" to "Whaleback light," from "Black Boy's reef" to "Papoose Squaw point." But, among other appropriations, I found one which I thought very necessary, and which I would by no means repeal, and that was an appropriation of $2,700 to build a light-house at Van Buren harbor. I only regret that this appropriation had not been made sooner. The light-house ought to have been erected previous to the last presidential election. Had there been a beacon light erected at the entrance of that harbor, the good ship United States might have avoided the perilous position she now occupies. Sir, there are shoals and sand-bars in that harbor which threaten the safety of that noble vessel and her gallant crew. There are currents and counter-currents, eddies and undertows, sunken rocks and hidden reefs, which render its navigation difficult, and still more difficult to moor a vessel in safety. I think it high time a beacon-light was erected at the entrance of that harbor. I am for running it up immediately; and I would have it so high that it should enable the crew of that gallant ship to see she is driving fast upon a lee shore; that there are breakers ahead, and that they are surrounded with rocks and with reefs, on the right and on the left; that they should be enabled to see that there is no safe anchorage in Van Buren harbor; that their only safety now is to slip their cables, about ship, and crowd all sail out of that harbor, and not to drop anchor again until they can find a good *Clay* bottom.

But, sir, if there is a deficiency in the Treasury, if (as it is said) there is not money enough to pay this instalment, then this law is unnecessary. The argument of the honorable member from Virginia [Mr. Robertson] struck my mind with great force. "Why pass a law to postpone the payment of this fourth instalment, when, if there is no money to pay it, it is postponed as a matter of course?" If the only object of this bill was to postpone the payment of the fourth instalment, (as the title imports,) the argument of the honorable member would be absolutely conclusive. But, sir, that is not the only object of the bill. Its title is deceptive. Let gentlemen examine the sixth line of this bill, and see what pregnant meaning lurks in the following words: "postponed till further provision by law." Do not gentlemen perceive that they might as well vote to take the deposites from the States at once, as to vote for a bill containing this clause? When will further provision by law be made for the distribution of these deposites? While the present incumbent of the Executive chair is at the head of the administration? No, sir. Let gentlemen read the letter of the present Executive to the honorable Sherrod Williams, (dated 8th August, 1836,) and they will there see that he is hostile to the deposite act. His language is this: "In my opinion, Congress does not possess the power, under the constitution, to raise money for distribution among the States; and if a distinction can be maintained between raising money for such purposes, and the distribution of an unexpected surplus, of which I am not satisfied, I think it ought not to be attempted without a previous amendment of the constitution, defining the authority and regulating its exercise." The present Executive will never sign a bill to make further provision by law for the distribution of the deposites; he will apply to it the exercise of his veto power. How, then, can the friends of the deposite act vote for this bill, without abandoning the hope of obtaining this fourth instalment? The honorable member from Tennessee [Mr. Bell] well said that the present measure was proposed by those who were hostile to the deposite act; and permit me to add, by way of caution to the friends of that act, "*Timeo Danaos et dona ferentes.*" The proposers of this measure belong to that class of politicians who are for uniting the purse and the sword in the same hands. The gentleman from Ohio [Mr. Duncan] told us money was power. No administration ever understood that maxim better than the present.

Gentlemen deprecate the idea of incurring a national debt. I concur with them in that sentiment; but I do not perceive the force of its application to the present bill. If this bill passes, we are still to create a national debt. The Secretary of the Treasury tells us (in page 8 of his report,) "if the fourth instalment be deferred, yet, being chiefly in the custody of banks not paying specie, it is manifest it cannot be immediately realized in funds suitable to meet existing appropriations;" and he therefore wishes to have authority to issue Treasury drafts to the amount of $10,000,000. And the Committee of Ways and Means concur in the suggestion of the Secretary, and have introduced a bill for that object. If, then, we are to be subjected to a national debt, we may as well incur the debt for $20,000,000, and pay the fourth instalment to the States, as to create a debt of only $10,000,000 and withhold the fourth instalment. The odium of a national debt, if it be an odium, will exist in both cases.

But, sir, there is another objection to this bill, more formidable, to my mind, than any which I have yet urged. It is, that the passage of this bill involves a violation of national faith. For I regard the deposite act of 1836 as containing in it a proposition to the States, which proposition, when acceded to by the States, by the passage of the necessary acts for the acceptance and safe-keeping and return of the surplus money, according to the terms and requisitions of that act, became binding upon the United States, and constituted a firm and valid contract. The terms of the thirteenth section of the deposite act, and the acceptance of those terms by the Legislature of New Jersey, by the act accepting those deposites, contain all the essential elements of a contract. These are, parties able to contract; a subject-matter about which to contract; a valid consideration, and the *aggregatio mentium* of the parties. Some gentlemen have contended that there is no contract between

this Government and the States respectively, because there is no such agreement as can be enforced in a court of justice. But it is no part of the essence of a contract that it can be enforced in a court of justice. There are many contracts which cannot be enforced in a court of justice. A contract between a sovereign and a subject cannot be enforced in a court of justice, for it is a part of the royal prerogative not to be sued; the only redress of the subject is by petition. But would it not be highly derogatory to the royal dignity to evade the performance of its contracts, by sheltering itself behind the ægis of royal prerogative? Again, it has been said that there can be no contract between the United States and the States, in reference to the payment of this fourth instalment, because there was no consideration passing between them. The honorable member from New York [Mr. SIBLEY] showed, conclusively, in the very able argument which he delivered yesterday, that there was a good consideration for a contract; and that there was an actual valid contract. I will not detain the committee by reiterating his argument; and I would only add to the authorities to which he referred, the authority of the Supreme Court of the United States, in the case of Fletcher and Peck, and the case of the Dartmouth College. In the former case, it is decided that a grant of a State, in its own nature, amounts to an extinguishment of the right of the grantor, and implies a contract not to assert that right; and that it is sufficient to form a valid consideration for a contract, if it import a damage, or loss, or forbearance of benefit, or any act done, or to be done, on the part of the grantee. I am, therefore, decidedly of opinion that the United States have entered into a firm and valid contract with the several States, to pay over to them, on the first of October next, their respective portions of the surplus revenue; and that the withholding the fourth instalment would be a violation of the national faith, solemnly pledged under the sanction of law. On the faith of that pledge, some of the States have actually anticipated, and expended this fourth instalment; and others have made contracts based upon its reception; and it would be cruel now to disappoint them. Our pledged faith should be redeemed. I am not one of those who believe that a change in the state of the public finances will authorize a violation of national faith; on the contrary, sir, I believe that good faith is a goddess, that ought to be worshipped at all times, and under all circumstances.

This fourth instalment has been treated by some gentlemen as a claim by the Government against the States, as if the States stood to the United States in the relation of a debtor to a creditor. It appears to me that this is not the relation in which they stand, or ought to be placed. I do not view the money divided among the States as creating a debt to the United States. I concur with the honorable member from Kentucky, [Mr. UNDERWOOD,] in believing that the States, in receiving their shares under the deposite act, only received what justly belonged to them. Much the greater proportion of that surplus was derived from the sales of the public lands—lands which were won by the States in a common cause, from a common foe, or purchased by their common treasure. And, sir, no State paid more dearly for their portion of the proceeds of the sales of the public lands, both in blood and treasure, than did the State of New Jersey whose every field almost was fertilized, and every stream discolored, by the blood of her patriot citizens.

But, sir, even if the United States had a valid claim against the States for the immediate return of the money to which they are entitled under the deposite act, it appears to me that gentlemen present this Government in a most unfavorable attitude when, Shylock like, they would have it exact the full penalty of its bond, in this crisis of our public calamity, though in so doing it should cut its pound of flesh nearest to the heart of the people. Gentlemen seem to consider this Government like some ancient feudal barony, whose powerful lord, intrenched within his frowning battlements and moated ramparts, has no connexion or sympathy with the people, and hardly knows of their existence except when he wants their aid to fight his battles, or sends out his purveyors to plunder their crops. My opinion of a Government is, that the attitude which it ought to hold to the people should be rather the attitude which a parent holds to a child, or a guardian to a ward, than that of a hard-hearted creditor to his debtor, or a feudal baron to his vassal. The good of the governed is the main end and aim of all government. One of the very objects which conduced to the formation of the constitution of the United States, is stated in the preamble to that instrument to be "to promote the welfare of the people." Such laws only should be made as will confer the greatest permanent good on the greatest number of the people. Will the passage of this act effect this object? This brings me to the consideration of the consequences which will result from the passage of this bill, and to consider the inexpediency of this bill. Will it not add greatly to the distress of the people? An honorable member from Ohio [Mr. DUNCAN] has told us that there is no distress among his constituents. I am happy, sir, to hear that the constituents of the honorable member are not suffering the distress in which some of my constituents are involved. To show to the honorable member and to this committee the extent of that distress in one of the cities of my native State—a city renowned throughout this country for the enterprise, activity, and intelligence of its inhabitants—I mean the city of Newark—I will read an extract from a letter recently received, which gives the following description of that once flourishing city:

"In 1836 the population of Newark was 20,736; and it is believed by citizens of intelligence and observation that at this period it does not exceed 15,000. In 1836 the number of men and women (including apprentices) engaged in mechanical employments exceeded 7,000. At the present time the number does not reach 1,500, and one-half of these receive only partial employment, barely sufficient to keep their families from starvation. During the greater portion of the summer, the number has not exceeded 400. To such an extent has the distress extended, that the city authorities have employed for several months 300 men to work on the roads at fifty cents per day, out of the class of citizens whom the city would otherwise have been obliged to support as paupers. A once flourishing city, last year containing a population of 20,000 souls, manufacturing largely in fourteen different branches of mechanical business, full of the hum of industry and other indications of prosperity, whose business men were possessed of unlimited credit and undoubted wealth, reduced in nine months to two-thirds of its former population, its manufactories stopped, its citizens out of employment, and many of them brought to extreme want! This is sober reality. I have seen many of our most respectable mechanics hired at fifty cents per day to work on roads, who, but one year ago, were receiving from fifteen to twenty dollars per week for their labor. More than three times that number of dwelling-houses have been abandoned, and are now to let. Tenants are unable to pay; and landlords will scarcely realize sufficient in cash to meet their taxes and insurance"

Sir, this is a description of some of the distress which exists in a portion of the State which I have the honor to represent. Sir, if I could take the honorable member from Ohio to that city, I could show him scenes of distress which would rend the heart of the most obdurate. And, sir, that distress has not been occasioned by the causes to which the President in his message seems to be disposed to attribute it, viz: "to the rapid growth among all classes, and especially in our great commercial towns, of luxurious

habits, founded merely on fancied wealth, and detrimental alike to the industry, the resources, and the morals of our people." The people of the State of New Jersey are a temperate, industrious, and moral people. Let not the President lay to his heart the flattering unction, that the distress which has struck down the enterprise and prosperity of that once queen of manufacturing cities to which I have alluded, and which has paralyzed the business of the whole country, is to be attributed to the causes which he has assigned. No, sir, it is to be attributed to the insane and ruinous experiments of the last and present Executive.

But, sir, what is to be the effect of this bill? Will it afford to the suffering people any relief? No, sir. That it will tend greatly to aggravate all the evils under which they now labor, I think perfectly demonstrable, even from the report of the Secretary of the Treasury itself. What does the tabular statement, (letter Q, page 63,) annexed to that report, show us? It shows us that, on the first of March, 1837, the whole amount of specie in the deposite banks was $15,312,892, and the amount of discounts at the same period was $171,287,054; and that, on the 15th of August last, the amount of specie in these banks was $10,580,413, and the amount of discounts was $104,720,750; so that, while the specie in these banks has been diminished in five months $4,712,479, the loans and discounts have been diminished $40,689,862, or within a fraction of ten dollars to one; for every one dollar in specie which has been withdrawn from the vaults of these banks, they have been obliged to call in from their debtors ten dollars. (These deposite banks, it will be observed, are generally in a better condition than other banks having a larger proportion of specie.) Now, sir, if the progress of the reduction of loans and discounts is to go on, and to bear the same ratio to the reduction of the specie which this table exhibits, what is to be the condition of this oppressed and suffering community? These banks, in order to place themselves in a condition to pay the $12,944,666, which on the 15th of August was standing to the credit of the Treasurer of the United States on their books, (as appears by the same tabular statement,) would be obliged to reduce their loans and discounts to $120,000,000. This would be grinding the people of this country to the dust.

But, again: let us take another view of this subject, in reference to the circulation of these banks, as represented in this same table. On the 1st of March, 1837, their specie was $15,312,610, and on the same day their circulation was $44,827,595; on the 15th of August their specie was $10,580,413, and their circulation is then reduced to $32,626,004; a reduction of $4,712,479 in the specie, and $12,201,591 in the circulation; so that for every one dollar of specie withdrawn from their vaults, they have had to withdraw nearly three dollars from their circulation. And this is about the average which the circulation bears to the specie, as we are told by Mr. Crawford, in his celebrated report on the currency, made to this House in December, 1820. Then, sir, to enable these deposite banks to pay in specie, (for nothing else will be received by the Government,) this $12,944,666, which was due to the Treasurer of the United States, on the 15th of August, from these deposite banks, they must curtail their circulation $36,000,000. Your poor suffering patient, already in a state of complete exhaustion by your miserable quack remedies and system of depletion, for the purpose of carrying out your Sangrado theory, is to be subjected to the operation of the lancet, until the last drop of blood is drawn from his veins.

One other remark, and I shall dismiss this topic. The specie, I have said, was on the 15th of August $10,580,413; the amount due the Treasurer of the United States on that day was $12,944,666; that is, the specie in the deposite banks will fall short by $2,444,253 of the amount due the Treasurer of the United States, (without taking into consideration the $4,574,076 deposited therein to the credit of public officers, and who must be equally entitled to draw the specie.) Now, sir, how is this balance of $2, 444,253 to be paid? It must be drained from the people, or the banks must fail. But while the banks owe the Government $12,944,666, they owe to private depositors $29,492,113, and to the holders of their notes $32,626,004, and to other banks $25,083,891; why should the Government receive in specie the whole amount of their debt, while the other creditors of the bank receive nothing? I see no equity or propriety in such a discrimination. If banks are not able to pay all the demands against them in specie, it should be divided equally among their creditors.

But it may be said that the banks have already curtailed their discounts, for the purpose of meeting the payment of this fourth instalment in specie. This view may, perhaps, be partially correct; and I hope it is so. But that would constitute, in my mind, a stronger objection to this bill; for I should see in that circumstance some prospect of relief to the people. I should perceive a source from which that relief might flow, which this Government appears so unable or unwilling to afford. Sir, if for every dollar in specie these banks may discount to the amount of ten dollars, as soon as it is ascertained that this $12,944,666 is not to be withdrawn from them, they may extend their discounts to an additional extent of $120,000,000. This sum, sir, distributed among the people in loans and discounts, would diffuse a beam of joy and gladness over the business community. Yes, sir, with one-half of this sum, those great public improvements, whose progress has been so suddenly arrested, might be recommenced and carried on to their completion. The shuttle and the loom would resume their wonted motion. The water-wheels of your factories, which now are rusting upon their axles, would again revolve under the propelling power of the liquid element. The din of business would again be heard in the streets of your cities; industry and enterprise would at once spring into activity; and the dark cloud of distress which now lowers over our once happy country would be dispelled, and the sun of prosperity again shed its cheering and refreshing beams over our whole community. But, sir, in this day of our calamity, when the hopes of a mighty nation are centered upon us, when our deliberations are watched by many a tearful eye and many a throbbing heart, what relief does the administration propose for this suffering people? It is a relief something similar to that proposed by the tyrant Dionysius, when he said "it behooves us to take care of Jupiter," and then stripped his statute of a robe of massy gold, and substituted a cloak of wool, saying that "gold was too cold in winter and too heavy in summer." So this administration proposes to relieve the dear people, by taking the golden robe of the currency into their own possession, for their own use, and covering the people with a tattered cloak of cotton or woolen rags. Or, sir, it is like the conduct of the captain and officers of a ship, who, having, by their ignorance and mismanagement, run their vessel ashore, take to the longboat to save themselves, while they leave the whole crew to the mercy of the waves.

Sir, I have thus stated briefly, some of the objections which compel me, and those associated with me in representing the State of New Jersey on this floor, to withhold our assent to the passage of this bill. Before I take my seat, permit me to advert to some matters which have been introduced into this debate, altogether foreign to the subject-matter under discussion, but to which, since they have been introduced, it may not be improper in me to reply. We have heard much, sir, in the course of this discussion, about democracy. It would appear as if the majority of this House thought they were entitled to be considered as the exclusive democrats, and that the members who com-

pose the minority had no pretensions to the name. Sir, this term "democrat" has become very indefinite of late. I should like to know what is the court definition of the term. Some of those gentlemen who visit the white house can no doubt give it to us. I should like to hear it from them, that we may have it *ex cathedrâ*, and may know what is necessary to constitute a real Simon Pure. If we are to follow the Executive standard, I should like to know which set of the opinions of the present incumbent we are to adopt. Is it those he held when he was against the tariff, or when he was for it? Those he held when he was against internal improvements, or for them? When he was against the United States Bank, or when he was for it? When he was against the New York canal, or for it? When he was against De Witt Clinton, or for him? When he was against Mr. Adams, or for him? When he was against General Jackson, or for him? Sir, if to be a democrat is to be constantly chasing the caprices of Executive opinion, then I am no democrat—nay, sir, if, to be a democrat, it is necessary to be continually trimming my sails to catch every momentary breeze of popular favor, then I am no democrat. But if by a democrat is meant a man who is in favor of protecting the rights and interests of the people—a man who is in favor of reforming existing abuses, and "particularly those abuses which have brought the patronage of the General Government into conflict with the freedom of elections"—a man who is in favor of reducing public expenditures, and thereby, as General Jackson tells us, "counteracting that tendency to public and private profligacy, which a profuse expenditure of public money is too apt to engender"—a man who is in favor of sustaining the just rights of the representatives of the people against Executive encroachment—of upholding the just powers of all the co-ordinate departments of this Government, and of maintaining in all their original strength and purity, those powers and privileges which are guarantied to us by our glorious constitution, and transmitting them unimpaired to those who are to come after him—then I aver myself to be a democrat; it is a faith in which I have always lived, and in which I hope to die.

But, sir, we have also been told that the people of these United States have sanctioned all the principles of the last and present Executive. To this assertion I take the liberty to dissent. I deny that all the monstrous principles of the last or present Executive have been sanctioned by the people of the United States. For the State of New Jersey, I take leave to say that many of those principles have been repudiated. Yes, sir, in that same gallant little State, where, in the winter of 1776, the American eagle perched proudly victorious over the prostrate British lion; in the fall of 1836, the eagle of the American constitution rose triumphant over the roaring lion of Executive encroachment. But, sir, New Jersey is not the only State where these principles have been repudiated. Look, sir, at the gallant State of Kentucky; she, too, has rallied in defence of the constitution; her representatives in this Hall present a solid and impenetrable phalanx—an undivided "front they form." I cannot say, in the language of the poet, that they are "still as the breeze;" but I can say they will prove themselves "dreadful as the storm" to the minions of Executive power. Ay, and look to the State of Rhode Island; she, too, has repudiated those principles. And last, though not least, look to the State of Maine; with the vigor of an infant Hercules, she has burst the chains by which she was bound to the Executive car; and even now, the notes of her glorious victory, wafted upon the wings of the wind, are carrying joy and gladness to every lover of the constitution throughout our wide extended country.

But, sir, the President has, for our instruction, thought proper, in his message, to read us a homily upon luxury and extravagance. I take the liberty of commending to his perusal the reply which the people of Maine have sent to this message. I think he may find a moral there which may be of service to him. And what is that moral, sir? It is, that there are limits, in the political as well as in the moral and material system, to the dominion of evil. There are limits to the injustice and oppression, the extravagance and corruption, of Governments, as well as individuals. There is a time when cunning ceases to delude, and hypocrisy to deceive; when the cant and cunning of this administration is unmasked; when the cup of its political iniquities is full, and the people will drink of the poisoned chalice no longer; when the people are rising in their might, and seizing the massive pillars of the temple of Jackson idolatry, and that the time is not far distant when the idolaters and the idol will be buried together in one undistinguished mass of political ruin.

When Mr. HALSTED had taken his seat—

Mr. WILLIAMS moved that the committee rise, explaining that he made the motion from the evidence exhibited that a number of gentlemen wished to address the committee, (several gentlemen rose to address the Chair at the time,) and it was obvious they could not get through the bill that night.

The motion prevailed—ayes 90, noes 73; when the committee rose, and the Chairman reported progress.

Mr. GARLAND, of Virginia, rose and stated that, owing to domestic matters which claimed his attention, he should be compelled to leave the city on Wednesday next; and in consequence of the peculiar position he occupied before the House and the country, he was very anxious to submit his views before he left, and he gave notice that, on Monday next, he should throw himself upon the indulgence of the House for leave, at that time, to introduce the bill of which he had given notice some days since.

The House then adjourned.

MONDAY SEPTEMBER 25.

SEATS FOR PRIVILEGED PERSONS.

Mr. WHITTLESEY, of Ohio, said, that before proceeding to business this morning, he wished to make an inquiry of the Chair in relation to providing seats for persons who had the privilege of coming on the floor of the House. He wished to know whether the Speaker considered that he had the power to provide seats for those persons. In former times, seats were provided for persons who were admitted on the floor of the House, and he thought it would now be treating those persons with no more than proper respect to provide seats for them in front of the Clerk's table, or in the other vacant places on the floor of the Hall.

The SPEAKER replied that the rules gave the general direction of the Hall to the Chair, but he did not know that it gave him the power to provide seats for privileged persons on the floor. He would, however, be guided in the matter by the House; and if it was the pleasure of the House, the Chair would direct seats to be provided for Senators and other privileged persons. He would take the occasion to remark, however, that it had never been done heretofore by order of the Chair.

Mr. WHITTLESEY said he believed that seats had been provided some years ago by the officers of the House, and he thought it would be nothing more than proper that it should be done now. It might perhaps not be in our power to provide seats for the whole of those persons, but they might be furnished for a portion of them.

The SPEAKER said if it was the general sense of the House, he would direct seats to be provided.

Mr. MERCER objected. It would prove a source of much inconvenience. As it is, he said, when members with low voices were speaking, they could rarely be heard, and the increase of accommodations would only render this evil greater. For his part, he was rather in favor of accommodating the members of the House in preference to

visiters. He would willingly contribute his share of the expense of building a log house on one of the public squares for the discussion of the pending question, and thus give gentlemen an opportunity of being heard by all the people. The matters discussed here were so important perhaps as to require all the facilities afforded to a popular debate: but he preferred a little order while engaged in such discussions in the House.

[Here the conversation dropped. No resolution or order was taken on the subject.]

MISSISSIPPI ELECTION.

Mr. BUCHANAN, from the Committee of Elections, made a detailed report on the subject of the Mississippi elections, accompanied with the following resolution:

Resolved, That Samuel J. Gholson and John F. H. Claiborne are duly elected members of the 25th Congress, and as such are entitled to take their seats.

The report having been read—

Mr. BUCHANAN moved that it be made the order of the day for to-morrow during the morning hour, and printed.

Mr. MERCER considered this question one of very great importance, and one which should not be decided without being fully discussed. He therefore moved that the report be committed to a Committee of the Whole on the state of the Union.

Mr. MAURY (a member of the Committee of Elections) stated that the committee were divided on the subject; but they deemed it unnecessary to present a minority report. They had determined to permit the majority to bring forward their report, and when the subject came up in the House, to move to amend it in accordance with their views.

Mr. WHITTLESEY, of Ohio, would inquire whether there had ever been a report of a committee on the subject of a contested election decided without going into Committee of the Whole. He considered that the proper course for this report to take, and hoped that the House would determine on giving it that direction.

Mr WILLIAMS, of North Carolina, hoped, as this was as important a question as any which might be brought before the present Congress, that it would take the usual course. It was a question which required very grave deliberation, and free and full discussion, and he therefore trusted it would be referred to the Committee of the Whole on the state of the Union. The question involved a grave constitutional question, and he wished to see it settled, and settled after full, free, and deliberate discussion, which he considered it could not receive out of the Committee of the Whole.

Mr. HARRISON then rose and said as there appeared to be a great many empty seats in the House from some cause or other, he would move a call of the House; which motion was agreed to.

The Clerk proceeded to call over the roll; but many members in the mean time coming in—

On motion of Mr. MERCER, the further proceeding under the call was dispensed with.

Mr. HAYNES said that several gentlemen had expressed a belief that no question of this sort had ever been considered and decided before this House, without being previously referred either to the Committee of the Whole on the state of the Union, or a Committee of the Whole House. Now, according to his recollection, the report of the committee in the case of Newland and Graham, from North Carolina, at the first session of the last Congress, was considered exclusively in the House. He had not had time to follow that case through on the journal from the time it first came into the House; but he was very certain that the whole discussion upon it took place in the House. The journal, however, would show what course it had taken; but whether it had been the uniform practice of the House to refer subjects of this kind to a Committee of the Whole House or not, the peculiar situation of the public business should, in his opinion, induce us not to pursue that mode. We have been considering for nearly a week a single subject, admitted on all sides to be one of great importance, without seeming to be any nearer its termination than when we commenced. Therefore, even if it had been the uniform practice of the House to refer reports of committees on contested elections to a Committee of the Whole, the peculiar position in which we are placed was an ample justification, in his opinion, for changing our course of proceeding, and give this subject only the morning hour, without referring it to a Committee of the Whole. He was, therefore, decidedly in favor of the motion first submitted by the honorable gentleman from Pennsylvania, [Mr. Buchanan.]

Mr. WILLIAMS, of North Carolina, believed the gentleman was correct in saying that the case of Newland and Graham had been considered in the House, but he considered these to be subjects of too great importance to be disposed of in that way; and he wished to be allowed to say to the gentleman from Georgia, [Mr. Haynes,] that he considered this subject one of infinitely more importance than any one which can be presented at the present session of Congress. We all know that subjects receive more grave, calm, and deliberate consideration before the Committee of the Whole on the state of the Union, than when they were taken up and debated morning after morning, during the morning hour in the House. This being the case, it was due to the House of Representatives, it was due to the people of Mississippi, it was due to the nation, that this subject should be referred to the Committee of the Whole on the state of the Union.

Mr. HAYNES would merely say, in answer to the gentleman, if it was expected that this question would receive more ample discussion than what took place in the case of the North Carolina contested election, that he did not know that it would be desirable to send it to a Committee of the Whole. He considered that that question was as fully discussed as any subject need be. He was utterly at a loss to perceive why there should be so much anxiety to have this subject referred to the Committee of the Whole. He believed that, upon a reference to the history of the various contested elections, from the origin of the Government down to the present time, it would be found that a large number of them had been settled without much discussion. He differed entirely from the gentleman from North Carolina, [Mr. Williams,] in giving more importance to the discussion of this subject of the Mississippi election, than the questions which had been already referred to the Committee of the Whole on the state of the Union. He considered that their first duty was to do all that they could for the relief of the country.

Mr. MERCER preferred sending the subject to the Committee of the Whole on the state of the Union, because it would receive a more calm and full discussion than in the House, and prevent such scenes as were enacted in the case of the North Carolina contested election at the last Congress. He believed cases of contested elections had seldom been settled, without being referred to a Committee of the Whole.

Mr. HAYNES then referred to a case of contested election from some of the districts in the western part of the State of New York, which came before the House at the first session of the nineteenth Congress; and was settled as soon as the report of the Committee of Elections came in, and never was committed or debated.

Mr. GLASCOCK considered that the proper mode of disposing of this report, was the adoption of the motion submitted by the chairman of the Committee of Elections. It is well known that in cases of contested elections heretofore, that the parties have been present with all the testimony which they could collect, to lay before the House;

but this was an exception to the general rule, there being no person here to contest the election; and, in his opinion, it could be calmly and dispassionately considered in the House, and disposed of without any of the excitement which frequently attended cases of contested elections. This was not a case where the opposing candidates come forward and contested the seats of those gentlemen because of illegal votes being given; but it was a case submitted by the gentlemen themselves, who look upon it as a constitutional question, which they desire to have settled for their own satisfaction, and for the satisfaction of the people of Mississippi. Those who are of opinion that these two gentlemen are not constitutionally elected, will have the opportunity of laying their views before the House, and those who believe they are constitutionally elected, and entitled to their seats, can reply to them, and give their views. This can be done in the House calmly and dispassionately, and then every gentleman will be prepared to form his own opinion. He imagined that the question now pending before the House during the morning hour, (the inquiry in relation to the Florida war,) would be disposed of on to-morrow morning; and then this question in relation to the Mississippi election can be taken up, and be easily, fairly, and correctly disposed of, by taking it up every morning, during the morning hour, until it is decided.

Mr. CAMBRELENG suggested to the gentleman from Pennsylvania [Mr. BUCHANAN] that the House would be better able to dispose of this question after the report was printed and laid upon the table. He therefore hoped the gentleman would modify his motion by moving to postpone the subject until to-morrow, or Wednesday, and have the report printed in the mean time.

Mr. BUCHANAN then modified his resolution by moving to postpone the further consideration of the subject until Wednesday next, and that the report be printed.

Mr. HARRISON made some remarks in opposition to committing the report to a Committee of the Whole, and referred the House to the case of Graham and Newland, as having received ample and satisfactory discussion in the House without a reference.

Mr. GHOLSON hoped that this report might take such course as to ensure the action of the House upon it at the present session. If it was referred to the Committee of the Whole on the State of the Union, and other subjects were permitted to take precedence of it, it would be impossible to have it disposed of at the extra session; and for this reason, and this reason alone, he hoped the motion of the chairman of the Committee of Elections would prevail. Under the circumstances of the case, he sat here with extreme reluctance, and he hoped this subject would occupy the morning hour until it was settled. It surely, in his opinion, would not occupy a great length of time to settle the question, and he hoped it would be disposed of as speedily as practicable, because at present there was but one candidate before the people of Mississippi for election at the fall elections, and he felt authorized to say that there would be no other until this question was determined by the House.

Mr. WHITTLESEY, of Ohio, said if the question was referred to the Committee of the Whole, it would be within the power of a majority of that committee to take it up at any time they pleased, no matter what other business there was before it.

The question was then put on the motion to postpone till Wednesday, and printed, and agreed to without a division.

NATIONAL BANK.

Mr. CAMBRELENG, from the Committee of Ways and Means, reported the following resolution:

"*Resolved*, That it is inexpedient to establish a national bank."

Mr. CAMBRELENG hoped the question on this resolution would be taken without debate, and on the question of agreeing to this resolution he called the yeas and nays. He wished to show the gentleman from Kentucky, [Mr. CHAMBERS,] who had alluded, during some remarks which fell from him this morning, to the dark cloud hanging over the prospects of the administration in the West, that a still darker cloud was hanging over the prospects of the friends of a national bank in this House.

The yeas and nays were ordered.

Mr. EVERETT said that his sentiments on the subject of a national bank were well known, and when the proper occasion was offered, he should maintain those sentiments. But that issue was not now to be made up, and it should not be forced upon him at this time. The veto upon such an institution had been promulgated in advance by the President of the United States, and he presumed that no friend of a national bank would bring such a proposition forward, until it was ascertained that two-thirds of that body were in favor it. That majority in opposition was necessary, he verily believed, now, before any relief could be expected for the country; and he further believed that, were the incubus of the late message of the President taken from that body, there would be the necessary relief. But are those of the party, in majority here, expected to vote for this measure even though they preferred it, when they know that its passage would be followed by the veto? He conceived not. And while such obstacles in the way of success did exist, he hoped that such a step would not be taken. Had Mr. Van Buren left the question to the action and decision of the House, without giving his own opinion, or declaring his own intentions in the matter, the action of that House might be different from what it could now be expected to be. Then there might be some relief for the people anticipated as the result of this special session. As it was, the relief of the Executive is all that is asked at the hands of Congress. Mr. EVERETT concluded by moving to lay the resolution on the table.

Mr. BOON called for the yeas and nays on this motion; which were ordered.

The question was then taken on the motion to lay the report of the committee on the table, and decided as follows:

YEAS—Messrs. Adams, Alexander, Heman Allen, Aycrigg, Bell, Biddle, Bond, Briggs, John Calhoon, William B. Campbell, John Campbell, William B. Carter, Chambers, Cheatham, Clowney, Corwin, Cranston, Crockett, Cushing, Darlington, Dawson, Davies, Deberry, Dennis, Dunn, Evans, Everett, R. Fletcher, Fillmore, Rice Garland, Goode, J. Graham, Graves, Grennell, Griffin, Hall, Halsted, Harlan, Harper, Hastings, Henry, Herod, Jenifer, Henry Johnson, Lincoln, A. W. Loomis, Lyon, Mallory, Samson Mason, Martin, Maury, Maxwell, McKennan, Menefee, Mercer, M. Morris, C. Morris, Naylor, Noyes, Ogle, Patterson, Pearce, Peck, Phillips, Pope, Potts, Rariden, Reed, Ridgway, Robertson, Rumsey, Russell, Sergeant, A. H. Shepperd, Shields, Sibley, Slade, Stratton, Thompson, Tillinghast, Toland, A. S. White, J. White, E. Whittlesey, L. Williams, S. Williams, C. H. Williams, Wise, York—89.

NAYS—Messrs. Anderson, Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Boon, Bouldin, Brodhead, Bronson, Bruyn, Buchanan, Bynum, Cambreleng, T. J. Carter, Casey, Chapman, Claiborne, Cleveland, Coles, Connor, Craig, Crary, Curtis, Cushman, DeGraff, Dromgoole, Duncan, Edwards, Ewing, Farrington, Fairfield, Foster, Fry, Gallup, J. Garland, Gholson, Glascock, Grantland, Grant, Gray, Haley, Hammond, Hamer, Harrison, Hawes, Hawkins, Haynes, Holsey, Holt, Howard, Hubley, W. H. Hunter, Robert M. T. Hunter, Ingham, T. B. Jackson, J. Jackson, J. Johnson, N. Jones, J. W.

Jones, Kemble, Kilgore, Klingensmith, Legare, Leadbetter, Logan, Arphaxed Loomis, J. M. Mason, May, McKay, R. McClellan, A. McClellan, McKim, Miller, Montgomery, Moore, Morgan, S. W. Morris, Muhlenberg, Noble, Owens, Palmer, Parker, Patton, Paynter, Pennybacker, Petrikin, Phelps, Pickens, Plumer, Potter, Pratt, Prentiss, Reilly, Rencher, Rhett, Richardson, Rives, Sawyer, Sheffer, Sheplor, Smith, Snyder, Southgate, Spencer, Stewart, Taliferro, Taylor, Thomas, Titus, Toucey, Towns, Turney, Vail, Vanderveer, Wagener, Webster, Weeks, Thomas, T. Whittlesey, J. W. Williams, Worthington—122.

So the motion was lost.

The House then, on the motion of Mr. CAMBRELENG, passed to the orders of the day.

FOURTH INSTALMENT BILL.

The House again resolved itself into a Committee of the Whole on the bill to postpone the payment of the fourth instalment of the deposites to the States.

The question pending was on the amendment of Mr. PICKENS to strike from the bill the indefinite clause "till further provision by law," and insert "the first day of January, 1839."

Mr. WILLIAMS, of Tennessee, was entitled to the floor, but gave way to

Mr. GARLAND, of Virginia, who rose and addressed the Chair as follows:

Mr. Chairman: I am indebted to the kindness of the gentleman from Tennessee, [Mr. WILLIAMS,] who was entitled to the floor, for the privilege of addressing the committee at this hour. This privilege, accorded by that gentleman and the House, under existing circumstances, will command my lasting gratitude.

After three years or more of seeming unparalleled prosperity, the nation has been overtaken by an adversity which has paralyzed its energy and prostrated all its branches of industry and enterprise. So vivid and so real were the appearances that the late President of the United States, in his farewell address to the American people, felicited the country and himself, upon its unparalleled prosperity and happiness; yet its most important interests, as if this apparent prosperity were but a delusion, now lie prostrate, and bleed at every pore. It has withered like the beautiful and verdant flowers of spring, by the untimely nip of a premature frost. The blighting effects of this unlooked for adversity upon the agriculture, commerce, and navigation of the country, and the obstacles which it obtrudes to the pecuniary operations of the Government, have induced the President of the United States, in discharge of his high constitutional duties, to call together, at this unpropitious season, the representatives of the States, and the people, with a view of applying, as far as legislation can do it, a remedy for the existing diseases of the country, *In limine*, I will remark that legislation cannot afford that substantial, permanent relief which the distresses and embarrassments of the country require; that can only be found in the industry, economy, and elastic energy of the people, which heretofore, upon like trying occasions, has so effectually availed. Wise and judicious legislation may do much to mitigate the severity of the present calamity and hasten the period of relief, but it cannot of itself be effective; it must be auxiliary—it cannot be primary.

Before I proceed to discuss the merits of the principal remedy proposed by the President for the relief of the Government and the country, I ask the indulgence of the House in making reference to the circumstances which place me, in reference to that remedy, in a peculiar attitude—for no other consideration could induce me to obtrude upon the House any remark affecting me individually. The journal of the House, for the 23d Congress, exhibits the fact that my immediate predecessor, General Gordon, of Virginia, (a gentleman of whom I take pleasure in saying that he is honest, talented, honorable, magnanimous, and liberal in an eminent degree, who stood so strong in the confidence and affections of the people of his district that nothing but substantial differences of political opinion could have brought me hither in his place,) offered a scheme embracing the very principles of the recommendations of the message. The principles of this bill, proposed by my predecessor in February, 1835, were opposed and denounced by the late administration, and all its prominent friends in both Houses of Congres, in no unmeasured terms. In this denunciation and opposition I united and defended General Jackson's administration for its opposition to this scheme before the people of the Congressional district which I now feel honored in representing. Now, Mr. Chairman, in less than three years, I find myself compelled to defend the opinions I then entertained and defended, not against my political opponents, but against the attacks of the present administration and its friends, so completely have they changed their position. Finding for a few months past that my opinions upon this subject were in collision with those of the administration and most of its prominent friends, I carefully and deliberately reviewed my former opinions, with a view to detect any fallacy, error, or delusion under which I labored, if there was any which had contributed to form those opinions. The result of this review has been to rivet my conviction of the truth of those opinions, and an increased and more inflexible determination to adhere to them. Being satisfied that my opinions are correct, I dare not—I cannot—I will not vote for this recommendation of the message.

This determination to resist the recommendation of the President's message upon this subject, and, as it may be called, my obstinate perseverance in maintaining my own honest and sincere opinions in the late election of printer to this House, have brought upon me individually, and in connexion with many of my political friends whose opinions and course have been in accordance with my own, severe and bitter denunciations from some presses professing democratic republicanism, in which we have been charged with traitorism to our party, and, however humble, I have been dignified as the head of "a party." God knows, Mr. Chairman, I never desired or dreamed of being a party leader; I have not, upon this or upon any other occasion, since I have had the honor of a seat on this floor, attempted to lead or control the opinions of others; nor have I had any concern with any party arrangements, as every member with whom I heretofore acted, or with whom I now act, well knows. Why then have I been so dignified? As to the charge of traitorism, I shall only say that I have not deserted my political party; but upon this question, it has deserted itself as well as me. I have no more to say now, nor shall I at any time hereafter refer to these editorial attacks; I leave them to revel in the glory of their achievements over the feeling of honorable men, as the Turks revelled amidst the ruins of bleeding and burning Missolonghi. It is to be regretted that the selections of our lawgivers are not confined to the editorial corps, who, from their course of remark, leave it to be inferred that they regard themselves as having more wisdom, more information, and more patriotism than every other class of citizens; and, above all, that they possess the power of infallible scrutiny into the hearts and motives of others, which enables them, unerringly, to expose the secret springs of every man's action.

In discussing the recommendation of the message, presented in the form of law by the Committee of Ways and Means, embracing the whole principle of the message, I shall not detain the committee by entering into a discussion of the comparative merits of a national bank and State banks, or the expediency of establishing a national bank. There is now no proposition for the incorporation of a na-

tional bank before the House, nor is it designed, so far as I am informed, to present one during the present session. If such a proposition were presented, and a national bank were incorporated, it could not be organized and put into operation in time to afford any relief to the present embarrassments of the country, even if it would have that effect, which I by no means admit. The incorporation of such an institution, with such a redundancy of bank capital and bank circulation, would, in increasing the demand upon the existing banks for specie, and diverting it from the course of trade, do more to continue the present embarrassments of the country than all other causes combined. In this state of things, the question to be decided is, whether the continuance of the present State bank system of fiscal agency, with the improvements and restrictions which experience has pointed out as necessary and proper, or the "untried experiment" of excluding the State banks as depositories of the public money, and restricting the receipts of the public revenue to gold and silver only, shall be adopted. This is the true issue, to the decision of which, as affects the future happiness and prosperity of the nation, the most serious and deliberate attention of the House should be directed. I need not here repeat what I have before stated, that, whenever the question of a national bank is presented, if I shall have the honor of a seat upon this floor, I shall oppose it, both upon the grounds of the want of constitutional power, and its inexpediency. The opinions I imbibed in my earliest youth, I learned from the State papers of Jefferson, Madison, and their republican contemporaries, and shall never surrender them until I become a tenant of the tomb.

Although the recommendation of the President's message, and the provisions of the bill from the Committee of Ways and Means embrace, in their immediate scope, an exclusive metallic currency for the operations of the Federal Government alone, yet it is manifest that in their operation they must come in collision with the "credit system," and wage a war of extermination against it, in every form and shape, as a medium of circulation; with what prospect of success it is not for me to undertake to determine. This presents to the American people a question of momentous importance. In modern times banking institutions have been adopted as the most safe and efficient agencies of credit, by all the most enlightened and most commercial nations of the world. They had their origin in Venice, in the days of her commercial prosperity, and have been successively adopted by all commercial nations, particularly in England and France. Early in the history of our own Government, they were adopted, and have grown with our growth, strengthened with our strength, and have been enlarged, from time to time, to meet the exigencies of our increased and widely extended commerce, until they have become so intimately interwoven with our commerce, and connected with our local institutions, as to make the separation difficult and dangerous in the extreme. This scheme, however, presents the question, and it must be ultimately met and decided. In the conflict, this exclusive metallic system proposed for the Government must be abandoned, or all our banking institutions perish; there is no middle ground.

Let it be remembered that, under the vivifying influence and salutary operations of our banking institutions, our country has flourished and prospered beyond parallel in the history of nations. When we compare our condition, at the close of the Revolution, with what it is at the present day, we perceive that, in population, agriculture, commerce, and manufactures, our improvement has been rapid beyond precedent. Our villages, our towns, and our systems of internal improvement, flourishing and improving beyond example, bespeak an increase of wealth, power, and commercial facilities, which would not exist without the healthful action of a sound system of credit. The secret of the system is, that, by its operation, it throws into active circulation more than three times the amount of actual capital, and thereby supplies trade and commerce with the means of successful operation in the absence of an adequate supply of the metallic medium. It is true that these instutions, like others constructed and managed by frail human agency, have been mismanaged and abused. There is no perfection in human nature, and nothing perfect can be produced at its hands. What estimate would be placed upon the intelligence of the man who, because the boiler of the capacious and majestic steamboat sometimes bursts, would recommend the destruction of the steamboat, and the re-adoption of the canoe navigation? Your Government, which my much-esteemed friend from Virginia [Mr. JONES] says is an experiment, has sometimes been abused. What estimate would you place upon the intelligence of the man who, for this cause, would recommend the entire destruction of our system, as the proper remedy? So in reference to the banking system; would it not be wiser to correct and cut off the abuses, and preserve the system, than rashly and inconsiderately destroy it? If the question were now presented as an original one, whether we should adopt the banking system, perhaps my own mind would be led to the adoption of a system organized upon a quite different plan; but we have the system, and the question is, how shall we act in reference to it? There is no man who really thinks that there is the slightest prospect that this system will or can be eradicated for a length of time, if ever; hence we must accommodate our action, as far as we can, to the state of things as they are, and seek rather to aid and assist the State Governments in correcting the abuses of the banks, and restore them to health and soundness. Whether we shall ultimately recur to an exclusive metallic system, and in anticipation prepare for that event, deserves consideration of more than ordinary gravity, and the exercise of extraordinary sagacity.

The system of deposites adopted from the foundation of the Government, and which has prevailed to the present hour, wherever it was practicable, is the bank system. This fact, accompanied with the expressed opinions of every incumbent of the Treasury Department until the present time, proves conclusively to every reflecting mind that it was regarded as the safest, most economical, and most convenient system; without this means of keeping the public money, it must have been kept and distributed by individuals, and subject to all the extravagance, insecurity, and liability to defalcation which has ever attended individual receipts and disbursements. All preceding Secretaries, and many of our most distinguished men of the old republican school, declared their opinions in favor of the plan now proposed. It is remarkable, that a system so republican, so safe, and so innocent, as that now proposed, should never have been proposed for the adoption of Congress, by any preceding administration, or any preceding Treasury Department. If it had been viewed in its present favorable and superior light, it certainly would have been recommended; but, as it was not, I regard the omission to do it as conclusive evidence that it was not approved. The only difficulty which has ever prevailed has been between the selection of a national and State banks, some preferring the former, some the latter. There being now no national bank, the question of preference is directly presented between the State bank system and the sub-Treasury system recommended by the Executive. The State bank system stands preferred, not only by the practice of the Government, but the expressed opinions of many of our most able and distinguished patriots and sages. In the year 1791, after the passage of the act incorporating the first Bank of the United States, Mr. Jefferson, in his official opinion to General Washington, as a member of his cabinet, upon the constitutionality of that act, resisted the argument of the necessity of that bank as the fiscal agent of the Govern-

ment, on the ground that these facilities would be afforded by the State institutions; in that opinion he expressed himself thus:

"Perhaps, indeed, bank bills may be a more convenient vehicle than Treasury orders; but a little difference in the degree of convenience cannot constitute the necessity, which the constitution makes the ground for assuming any non-enumerated power.

"Besides, the existing banks will, without a doubt, enter into arrangements for lending their agency; and the more favorably, as there will be a competition among them for it; whereas the bill delivers us up bound to the national bank, who are free to refuse all arrangement, but on their own terms, and the public not free, on such refusal, to employ any other bank."

Mr. Madison, in his able and unanswerable speech in opposition to the charter of that bank, said:

"But the proposed bank could not even be called necessary to the Government; at most, it could be but convenient. Its uses to the Government could be supplied by keeping the taxes a little in advance; by loans from individuals; by the other banks over which the Government would have equal command; nay, greater, as it may grant or refuse to these the privilege, made a free and irrevocable gift to the proposed bank, of using their notes in the federal revenue."

The arguments urged in favor of the charter of this bank were principally those of its safety, economy, and convenience, as a depository and disburser of the public money. This was a most propitious period in our history to have adopted a system of individual agency, and withheld all connexion with banks, if it had been deemed safe, economical, and convenient. When the question of the renewal of the charter of that bank was under consideration, a memorial was referred by the House of Representatiues, praying the renewal of the charter of that bank. In his report upon that memorial, in enumerating the advantages of the bank to the Government, Mr. Gallatin speaks of the safe-keeping of the public money thus:

"1. *Safe-keeping of the public moneys.*—This applies not only to moneys already in the Treasury, but also to those in the hands of the principal collectors, of the commissioners of the loans, and of several other officers, and affords one of the best securities against delinquencies."

It is true that Mr. Gallatin was speaking of a national bank, yet the principle is the same in reference to the plan proposed, for that strikes at all banks, national or State. But to prove that while this distinguished financier preferred a national to State banks, he preferred a State banx to an individual agency, I here quote from his report to a committee of the Senate of the 30th of January, 1830, upon the same subject. He says:

"The banking system is now firmly established; and, in its ramifications, extends to every part of the United States. Under that system, the assistance of banks appears to me necessary for the punctual collection of the revenue, and for the safe-keeping and transmission of the public moneys. That punctuality of payments is principally due to banks, is a fact generally acknowledged. It is, to a certain degree, enforced by the refusal of credit at the custom-house, so long as a former revenue bond, actually due, remains unpaid. But I think, nevertheless, that, in order to insure that precision in the collection, on which depends a corre-ponding discharge of the public engagements, it would, if no use was made of banks, be found necessary to abolish altogether the credit now given on the payment of duties—a measure which would affect the commercial capital, and fall heavily on the consumers. That the public moneys are safer by being weekly deposited in banks, instead of accumulating in the hands of collectors, is self-evident. And their transmission, whenever this may be wanted, for the purpose of making payments in other places than those of collection, cannot, with any convenience, be effected on a large scale, in an extensive country, except through the medium of banks, or of persons acting as bankers.

"The question, therefore, is, whether a bank incorporated by the United States, or a number of banks incorporated by the several States, be most convenient for those purposes.

"State banks may be used, and must, in case of a non-renewal of the charter, be used by the Treasury."

In this paragraph is found the expressed and decided opinion of Mr. Gallatin, not only that the banking system is firmly established, but that, if there be no national bank, the Government must resort to State banks, and that the public moneys are safer in banks than accumulating in the hands of individuals. The opinion is entitled to great weight, as coming from a most able and experienced financier.

In addition to these, I refer to the opinions of several distinguished republican members of this House, in the session of 1810, upon the same subject.

Mr. Burwell said: "I said, sir, it must be shown that the bank is necessary to the operations of the Government; without its aid, our fiscal concerns cannot be managed. So far from subscribing to the necessity of the bank, I believe the revenue would be equally safe in the State banks, and could be distributed with inconsiderable difficulty; the revenue received in most of the States is nearly equal to the expenditures within them; and when a deficiency occurred in any one, it could be supplied by arrangements with the different banks, by transportation or inland bills of exchange, in the same manner that the public engagements are fulfilled abroad."

Mr. Eppes said: "The creation of a bank with a capital of $10,000,000, almost five times the capital of all the existing banks in the Union, under the patronage of the General Government, was calculated to produce, and did produce, a subserviency on the part of the stockholders to the views of their party. The influence of this powerful money capital was long felt. Nothing but the multiplication of State banks, and the increase of capital from the peculiar and fortunate circumstances under which the United States were placed, could have emancipated us from the shackles imposed on us by a moneyed interest wielded by foreigners."

Mr. Giles said: "I cannot see how putting down this institution can materially affect the pecuniary abilities of the nation; its actual funds for discounting will be nearly the same; the position of them only will be changed; they will find their way into the State banks, and their ability to discount will be increased proportionably to the increase of their deposites. Nor am I at all alarmed at the suggestion that seven millions of dollars will be drawn out of the country by the British capitalists, because it will not be their interest to do so; their dollars are worth more here than in Great Britain; if drawn there, they would soon be melted down into their depreciated paper circulation. They might also draw bills to advantage, so that I doubt whether an additional dollar will be shipped from the country in consequence of the rejection of this bill. Certainly there will not, to any great extent."

Mr. Clay said: "Upon the point of responsibility, I cannot subscribe to the opinion of the Secretary of the Treasury, if it is meant that the ability to pay the amount of any deposites which the Government may make, under any exigency, is greater than that of the State banks. That the accountability of a ramified institution, whose affairs are managed by a single head, responsible for all its members, is more simple than that of a number of independent and unconnected establishments, I shall not deny; but, with regard to safety, I am strongly inclined to think it is on the side of the local banks. The corruption or

misconduct of the parent, or any of its branches, may bankrupt or destroy the whole system, and the loss of the Government, in that event, will be of the deposites made with each; whereas, in the failure of one State bank, the loss will be confined to the deposite in the vaults of that bank."

All these gentlemen resisted the argument of necessity for the renewal of the charter of the old bank, on the ground that the State banks were equally safe, and equally convenient, as the fiscal agents of the Government; so that the whole force of the argument, as applied in favor of a national bank, over the system of individual agency, applies with full force in favor of the State banks. In the debate upon the charter of the late bank, the same opinions were expressed in favor of State banks, by many able and distinguished gentlemen. It is remarkable that in the whole range of debate, at the two periods referred to, no gentleman, so far as I recollect, expressed the slightest inclination to resort to the sub-Treasury system.

The administration of General Jackson exhibits still stronger and more conclusive proof of the superiority of the State bank deposite system over any other which the "wit of man could devise." Indeed, so little was the sub-Treasury system in favor, that, when the removal of the deposites was determined upon, it did not enter into consideration, as far as we are informed; but the State banks were recommended and selected, as being in every point of view equal to the Bank of the United States, as fiscal agencies, and, in a political point of view, infinitely safer; the comparison being instituted between a national and State bank alone. In General Jackson's expose to his cabinet on the —— day of September, after reviewing the advantages and disadvantages of the United States and State banks in contrast, he says:

"The President thinks these facts and circumstances afford as strong a guaranty as can be had in human affairs, for the safety of the public funds, and the practicability of a new system of collection and disbursement through the agency of State banks."

Language could not be more unequivocal of the preference of the State bank system over every other; yet the President seems to be aware that danger lurks in all human systems, and that this system might be disordered, from those causes which are incident to human frailty. If there could be a lingering doubt upon the mind of any man that the late President designed the State banks as the permanent system of the Government, it will be removed by the following extracts from his annual message of December, 1834:

"The attention of Congress is earnestly invited to the regulation of the deposites in the State banks."

In the same message he expresses himself thus:

"Happily it is already illustrated that the agency of such an institution (the United States Bank) is not necessary to the fiscal operations of the Government. The State banks are found fully adequate to the performance of all services which were required of the Bank of the United States, quite as promptly and with the same cheapness. They have maintained themselves and discharged all their duties, while the Bank of the United States was still powerful, and in the field as an open enemy; and it is not possible to conceive that they will find greater difficulties when that enemy shall cease to exist."

In his annual message to Congress in December, 1835, General Jackson expresses himself thus:

"By the use of the State banks, which do not claim their charter from the General Government, and are not controlled by its authority, it is ascertained that the moneys of the United States can be collected and disbursed without loss or inconvenience, and that all the wants of the community in relation to exchange and currency are supplied as well as they ever have been before."

In the annual message of December, 1836, which was the last General Jackson delivered after the emanation of the Treasury circular, requiring gold and silver for the purchases of the public lands, and a full knowledge of the facts upon which that order was deemed necessary, in the following strong and emphatic terms, he expressed his unabated confidence in the State bank system:

"Experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents for the Government. At the time of the removal of the deposites it was alleged by the advocates of the Bank of the United States that the State, banks, whatever might be the regulations of the Treasury Department, could not make the transfers required by the Government, or negotiate the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges performed, through discounts, by the United States Bank and its twenty-five branches, were at least one-third less than those of the deposite banks for an equal period of time; and if a comparison be instituted between the amounts of service rendered by these institutions, on the broader basis which has been used by the advocates of the United States Bank in estimating what they consider the domestic exchanges transacted by it, the result will be still more favorable to the deposite banks."

Thus we have the unequivocal evidence that the late President of the United States preferred the State bank to any other system; as to the sub-Treasury scheme, he did not in a single expression in any of the messages referred to, or in any other State paper emanating from him, intimate a desire to resort to it.

The evidence from which the preference for the State bank system by the late administration is to be derived, is not confined to the quotations which I have made from General Jackson's messages. Mr. Taney, the Secretary of the Treasury, who directed the discontinuance of the Bank of the United States, and adopted the State banks as the depositories of the public money, in his annual report of the 3d December, 1833, after contrasting the advantages and disadvantages of both agencies, decidedly recommends the State banks. He said:

"For no one of these corporations will possess that absolute and almost unlimited dominion over the property of the citizens of the United States which the present bank holds, and which enables it at any moment, at its own pleasure, to bring distress upon any portion of the community, whenever it may deem it useful to its interests to make its power felt. The influence of each of the State banks is necessarily limited to its own immediate neighborhood, and they will be kept in check by the other local banks. They will not, therefore, be tempted by the consciousness of power to aspire to political influence, nor likely to interfere in the elections of the public servants. They will, moreover, be managed by persons who reside in the midst of the people, who are to be immediately affected by their measures; and they cannot be insensible or indifferent to the opinions and peculiar interests of those by whom they are daily surrounded, and with whom they are constantly associated. These circumstances always furnish strong safeguards against an oppressive exercise of power, and forcibly recommend the employment of State banks in preference to a Bank of the United States, with its numerous and distant branches."

Mr. Taney did not in this or any of his reports hint at the propriety of adopting the sub-Treasury scheme.

The present Secretary of the Treasury, in his supplementary report of December, 1834, discussed at length and with more than ordinary ability, the two systems of individual and bank agency. In relation to individual agency he came to the following conclusion: "Individual agents will probably be found less responsible, safe, convenient, and economical." In the same report the Secretary of the

Treasury, referring to the possible contingency of the Government being compelled to resort to individual agencies, and that the Government could get on with these agencies, expressed his decided opinion that these agencies should be avoided, if possible, and the bank system adopted. His opinion is thus expressed:

"After the charter shall expire, no difficulty is anticipated in having any of these duties, which may then remain, discharged by State banks. But, if any should occur, it will become necessary to devolve these duties on some responsible receiver or collector already in office, or on some safe agent, not now in office, as has been the practice for years in this country in paying pensions at convenient places, near which there was no State bank or branch of the United States Bank; and, as has long been the usage in some countries in Europe, by having the public revenue in certain districts chiefly received, kept, and transmitted through private agents and brokers. This kind of personal agency, however, is, in the opinion of the undersigned, to be avoided in all practicable and safe cases, under our present system of selected banks; because it would render the system less convenient, less secure, and more complex, if not more expensive. Hence it has not yet been resorted to.

"But it was considered proper to mention this contingency, in order that its effect, if ever anticipated, may, beforehand, be duly weighed in the examination of the whole subject; and to add that, if this contingency be extended to the whole establishment of State banks, as well as of the United States Bank, on the possibility they may all cease to exist, or may refuse to receive and manage the public deposites, (however improbable the occurrence of such an event may be,) the fiscal operations of the Government could, undoubtedly, still proceed, through the personal agencies before mentioned. It is admitted, however, that it would be at some inconvenience and some increase of expense, unless remedied in a manner that may hereafter be developed, and would not, in the opinion of this Department, and in the present condition of things, be so eligible a system as the present one. Because banks, though exposed to some dangers and evils, and not believed to be necessary for the fiscal purposes of any Government, and much less one in the present happy financial situation of ours, are frankly acknowledged to be in many respects a class of agents, economical, convenient, and useful."

In the same document, he points out, in forcible terms, the advantages of a State bank system. He says:

"1. In regard to the convenient situation of the selected banks, whether looking to the accomodation of the public officers or of the public creditors, it is believed to be fully equal to that of the United States Bank and its branches. Some banks have been chosen in places in which none were before employed, and, in this respect, facilities for deposites and payments have been furnished nearer to some points where our collections and disbursements are very considerable. In this way, as it is now an established rule, long practised in most cases by this Department, and revised and republished in 1827, to make payments generally at the banks nearest to the residence of the public officer or creditor to be paid, or to the place where his services were performed, the payments under the present system have been made equally near, and, sometimes, nearer than formerly. The departures from this usual course never occur without the consent, and, indeed, the request of the persons interested. So far as these departures may, in any cases, be deemed favors to those persons, they were formerly granted on application to the Department, under such circumstances as the public interests, on the assignment of satisfactory reasons, appeared to permit. The same course of indulgence is now pursued—it is that most convenient to the public in general as well as to the Treasury, and the only one feasible under any system, without incurring the unnecessary and inconvenient expenses of furnishing funds enough, at every different point of collection and disbursement, to meet, not merely the ordinary and usual expenditures in the neighborhood of each point, but all the drafts which caprice, speculation, or a high rate of exchange might induce officers or creditors to draw on places greatly remote from their residence, or from the theatre of their public services.

"2. The safety of the newly selected banks is the next subject of inqury. The chief change in this respect, under the present system, has been in procuring the separate responsibility of several institutions for separate and smaller sums of money, instead of the single responsibility of one institution for a very large sum; and in having the guaranty of State laws and State supervision over the conduct and solvency of these separate institutions, combined with the information and cognizance of the Department and Congress as to their condition and prospects, by means of their weekly returns, and other general sources of intelligence, instead of the guaranty of the acts of Congress and the supervision of the United States Government over the single institution formerly and chiefly employed.

"Considering these differences, coupled with the fact that the selected banks, without disparagement to others, are, or ought to be, chosen from the most flourishing and secure; that they may be changed, whenever any circumstance may indicate a change to be prudent, and that collateral security can be required whenever the deposite is so large as to seem to render it judicious; that the Government possesses advantages superior in case of their embarrassment, and that the whole capital stock must be lost before the deposite debt will become desperate; there certainly can be no very disadvantageous comparison, in theory, between the safety to the Government under the present rather than the former system.

"In practice, thus far, no loss whatever has been sustained by any of the newly selected banks, nor does any particular reason exist for anticipating a loss. It is due to them to remark, without derogating from the reputation of other banking institutions whose condititition is like accurately known to the Department, that the weekly returns of the selected banks show all of them to be in a secure, and most of them to be in a very flourishing condition, and that the whole of them united, on the 1st of July last, possessed specie in proportion to their notes in circulation, greater than did the Bank of the United States, or the Bank of England on the first of July last; and that their immediate available means to meet all the immediate demands upon them, including the whole of their large public and private deposites, have since been constantly improving, and are quite equal to those of most banking institutions in existence, and to what is required by the most approved banking principles."

In his annual report of the 8th of December, 1835, he expresses himself in the following terms: "The Department takes pleasure in stating that the public money continues to be collected and deposited, under the present system of selected banks, with great ease and economy in all cases and with greater in some than at any former period. The transfers of it to every quarter of the country, where it is needed for disbursement have never been effected with more promptitude, and have been made entirely free of expense to the Treasury." In his annual report of December last, speaking on the same subject, he says: The money in the Treasury has been safely kept during the year 1836. Until July last, during the two previous years, it was placed in the State banks, selected according to the discretion of this Department, on account of their high standing and favorable position for fiscal purposes, and regulated in a manner considered most secure to the Treasury and convenient to the community, as well as useful to all concerned. It is a source of high gratifica-

tion to be able to add that, while so selected and employed, not a single dollar was lost to the Government by any of them, nor a single failure occured to transmit promptly, and pay out satisfactorily, the public money intrusted to their care." * * * "Nor is it believed that the domestic exchanges of the country were ever lower or more regular than during that period."

These assurances in favor of the State bank system were made to the country near the close of the late administration, and in the last annual communications of its high functionaries, after the practical effects of more than three years' experience had tested their truth, which gives as much force to the opinions expressed as can be imparted.

This is not all. The Committee of Ways and Means, during the session of 1834–'5, consisting of Messrs. Polk, (now Speaker,) Wilde, Cambreleng, Gorham, McKim, Binney, Loyall, McKinley, and Hubbard, six of them decided friends of the administration, in their report upon this very subject, evidenced their decided preference for the State bank system in the second and third resolutions which they reported.

"2d. *Resolved*, That the public deposites ought not to be restored to the Bank of the United States."

"3d. *Resolved*, That the State banks ought to be continued as the place of deposite of the public moneys; and that it is expedient for Congress to make further provisions by law, prescribing the mode of selection, the securities to be taken, and the manner, and terms on which they are to be employed.

These resolutions were sustained by a very able, and, to my mind, unanswerable argument. It is true, the committee did not enter into a comparison between this and the sub-Treasury system, which has suddenly grown into such high favor, because then it had not merit enough to command the favorable consideration of the friends of the administration, as was proved at the next session of Congress, by a unanimous vote, (save one,) when the scheme was presented by Mr. Gordon.

Mr. Benton, a Senator from Missouri, and distinguished friend of the late and present administrations, in a speech delivered by him, in the Senate of the United States, on the 2d of June, 1834, on the subject of the restoration of the deposites to the Bank of the United States, ably vindicated the State bank system, and defended the State banks against the various attacks of the opposition. I here quote his remarks upon that occasion:

"Mr. BENTON proceeded to state several reason, and to urge many considerations in favor of adopting it. He deprecated the spirit which seemed to have broken out against State banks, and said that it augured badly for the rights of the States. The strongest current of consolidation which was now observable in the Union, was that which set in favor of the federal bank and against the State banks, and threatened to consolidate all moneyed power, and with it all political power, in favor of a great central institution, independent of the States, and able, by its own avowal, to crush the State institutions at its pleasure. He said this spirit against the State banks was an impulsion of modern origin—unknown to the fathers of the Republic, and to the early history of the country, and strongest, now where the spirit of consolidation was strongest and where the defence of States rights was weakest. At the commencement of this Federal Government, (said Mr. B.) there was no federal bank, and all the public moneys were kept in State banks, or drawn direct, and as fast as they were received, out of the hands of receivers and collectors. General Hamilton, when Secretary of the Treasury, kept the public moneys, for the first year of his administration, in these banks, and kept them safely there. When the federal bank was proposed in 1791, and the keeping of the public moneys was one of the services attributed to it, Mr. Jefferson, then a member of President Washington's cabinet, denied the necessity of a federal bank for any such purpose, and openly declared himself in favor of the State banks. He said that these banks had already done this business for the Government, and done it well, and would, no doubt, enter into arrangements with the Treasury for doing it permanently, and on better terms than it could be done by the federal bank. Mr. B. read an extract from Mr. Jefferson's cabinet opinion, delivered to General Washington at the creation of the first federal bank to sustain what he said of his opinions. The extract was in these words.

"'The existing banks will, without a doubt, enter into arrangements for lending their agency; and the more favorably, as there will be a competition among them for it; whereas, the bill delivers us up bound to the national bank, who are free to refuse all arrangement, but on their own terms, and the public not free, on such refusal, to employ any other bank. That of Philadelphia, I believe, now does this business by their post notes, which, by an arrangement with the Treasury, are paid by any other State collector to whom they are presented. This expedient alone suffices to prevent the existence of that necessity which may justify the assumption of a non-enumerated power as a means for carrying into effect an enumerated one. The thing may be done, and has been done, and well done, without this assumption. Therefore it does not stand in that degree of necessity which can honestly justify it."

"Mr. B. said, that what Mr. Jefferson affirmed in 1791, was afterwards proved under his own administration, and that of Mr. Madison. During the whole of their administrations, a large portion of the public moneys was kept in the State banks, and safely kept there. Mr. Gallatin, in answer to a call made by the House of Representatives, some time before the expiration of the charter of the first bank, showed that the public moneys were then kept in twenty different banks, of which nine were the United States Bank and its branches, and eleven were State banks! Mr. B. thought this point so material, that he would read an extract from Mr. Gallatin's report, to show that he neither overstated nor mistook the facts. He then read the names of the State banks employed by Mr. Gallatin, and the amount of public money in each. They were: the Bank of Columbia, $115,192; the bank of Alexandria, $61,917; the Bank of Newport, Rhode Island, $35,788; the Bank of Pittsburg, $137,462; Roger Williams's Bank, $53,882; the Bank of Pennsylvania, $92,628; the Bank of Saco, $28,528; the Manhattan Bank, $188,670; the Bank of Maine, $50,747; the Marietta Bank, $19,601; and the Bank of Kentucky, $91,061.

"Such, said Mr. B., was the distribution of the deposites of the public moneys in the time of Mr. Gallatin; more State banks employed than the whole number of branches, and the mother Bank of the United States put together! In several instances, a State bank was employed in the same place in which a branch of the federal bank was situated, and some of those employed then are employed now. Of this class, Mr. B. instanced the Manhattan Bank of New York, and stated that the stock of this bank was, at this day, about twenty dollars in the hundred higher than the stock of the United States Bank! And this after all the efforts which had been made to shake public confidence in the State banks, and especially those of New York. The Bank of Alexandria, which, he said, had lately stopped, with a small amount of public money in it, and the payment of which is secured, was also in the list of Mr. Gallatin's deposite banks, and had double as much money in it in his time, as when it lately stopped. That bank had been a deposite bank for forty-five years, and the Government had lost nothing by it, notwithstanding the attempt lately made to delude the public with a belief that it had just been selected by Mr. Taney, and had immediately failed, with an immense loss to the United States.

"Mr. B. said it was thus proved, by an experience of twenty years—an experience running through the whole of the administrations of Jefferson and Madison, and a part of their predecessors—that the public moneys may be safely kept in the State banks; and that Mr. Jefferson was right in his cabinet opinion of 1791, when he gave it as his solemn opinion to President Washington that there was no necessity for chartering a federal bank to act as the fiscal agent of the Federal Treasury, and that the State banks would enter into arrangements for that purpose, and do the business well!

"Mr. B. said it was true that the Federal Government had since lost about a million and a half of dollars by State banks; but that loss took place in a season of universal embarrassment, growing out of a state of war and general stagnation of trade and commerce; a season which cannot be made the rule for judging State banks, without extending it to the federal bank also; and then it would be fatal to that bank, for the United States lost about eleven millions of dollars in sustaining the present federal bank in the same season of embarrassment, and saving that bank from sharing the general fate of the State institutions. This statement, Mr. B. said, was one of those facts which it was good to prove; and, as the proof was in the documents of the Senate, he would use it, and extinguish at once this delusive and deceptive comparison between State banks and the federal bank."

Mr. Benton was sustained in his preference for the State banks by Mr. Wright, of New York. The present Speaker of the House, in a speech delivered by him on this subject, on the 20th of June, 1834, ably vindicated the State bank system, in the course of which he made the following remarks:

"The State banks, then, are to be employed, either under our law as it exists, or under the law as Congress may modify it. The bill before us proposes modifications, limiting and defining, with more precision than has heretofore been done, the Executive discretion and power. It is tendered to the House, and especially to those who have raised the cry of a union in the President of the sword and the purse, when, in fact, he possesses neither. The present Executive does not desire, and never has desired, to retain any discretionary power in the execution of the laws, which, from its nature, is susceptible of being defined by law. The Executive, and his friends upon this floor, who sustain him in the recent executive measure of the removal of the deposites, desire to see him, and not only him, but his successors in the executive office, relieved from the responsibility of exercising discretionary power in relation to the safe-keeping, management, and disbursement of the public money, as far as, by legislative provisions, it can be done. The bill which has been presented contains provisions suited, in the opinion of the committee who prepared and brought it forward, to attain this end. I have invited gentlemen who may think its provisions inadequate, or who may suppose that too much power is still left in the hands of the Executive, to come forward with their modifications, still further limiting and confining his power. If they will neither accept this bill, nor propose to amend and make it more perfect, the conclusion must be, that they prefer the law as it is to any new legislative provision. If they do not co-operate with us in perfecting and passing this bill, the conclusion will be irresistible that the charge which has been made against the President, of a desire to seize upon powers which do not belong to him, was designed to produce an erroneous impression upon the public mind, and is wholly unfounded in fact; that they prefer the existing laws to any amendments which can be made; and, in a word, that the real purpose to be effected by all the violent and impassioned appeals which have been made, charging him with usurpation, was to operate upon the public, with a view to procure a continuance of the present odious bank monopoly."

In a speech delivered by him on the 10th of February, 1835, he said:

"The State banks are not only competent to furnish all the domestic exchange required for the convenience of trade, but they furnish it at cheaper rates, in many parts of the Union, than the Bank of the United States has heretofore done the same business,"

In relation to the sub-Treasury scheme, offered by Mr. Gordon, which seems to be the pioneer of the present, in the same speech, Mr. Polk said:

"Unless the States, and the United States, should both deem it proper, gradually, and in the end entirely, to dispense with the paper system, and which result is not anticipated, the Government cannot escape occasional losses from that quarter, and can never hope to escape all losses from banks as fiscal agents, except by the employment, in their place, of other and individual agents, who will probably be found less responsible, safe, convenient, or economical.

"He concedes that it would be practicable to employ such agents, but does not recommend it, for the reasons stated in the paragraphs of the report which I have read, and because it would not, 'in the present condition of things, be so eligible a system as the present one.'

"A corporation may be safer than any individual agent, however responsible he may be, because it consists of an association of individuals who have thrown together their aggregate wealth, and who are bound, in their corporate character, to the extent of their whole capital stock, for the deposite. In addition to this, the Secretary of the Treasury may require as heavy collateral security, in addition to their capital paid in, from such a corporation, as he could from an individual collector or receiver, which makes the Government deposites safer in the hands of a bank than it could be with an individual.

"It may be well questioned whether the heaviest security which the most wealthy individual could give, could make the public deposite safe at the point of large collection. In the city of New York, half the revenue is collected. Several millions of the public money may be in the hands of a receiver at one time; and, if he be corrupt, and shall engage in speculation or trade, and meet with a reverse of fortune, the loss sustained by Government would be inevitable. With ample security, as it was supposed, the Government lost a million or more in the tea case, a few years ago. The losses in three cases alone, as already stated, in 1827 and 1828, when it was supposed ample care had been taken to secure the debt, amounted to near two millions. As then, between the responsibility of a public receiver and bank corporations, as banks do exist, and are likely to exist, under State authority, the latter, upon the ground of safety to the public, are to be preferred.

"Banks, when they are safe, recommend themselves to the service of the Treasury for other reasons:

"1. The increased facility they possess over individual collectors or receivers, in making transfers of public money to distant points for disbursement, without charge to the public. Indeed, this is a service which individuals, to the extent of our large revenues, could not perform.

"2. It may happen, in the fluctuation of the amount of revenue and expenditures, that there will be, at some times, a considerable surplus in the Treasury; which, though it may be temporary, if it be withdrawn from circulation, and placed in the strong-box of a receiver, the amount of circulation will be injuriously disturbed, by hoarding the deposite, by which the value of every article of merchandise and property would be affected. So that, inasmuch as we cannot anticipate or estimate what the exact amount of revenue or expenditure may be from year to year, there may occur an excess of revenue in the Treasury, not immediately called for to be disbursed, which it would be very inconvenient to abstract from trade and circulation. Whilst

the deposite is in a bank, the bank may use it, keeping itself, at the same time, ready to pay when demanded, and it is not withdrawn from the general circulation as so much money hoarded and withdrawn from the use of the community.

"If in the hands of receivers, they must either hoard it, by keeping it locked up in a strong-box, or use it, at their own risk, in private speculation or trade; or they must, for their own security, or on their own responsibility, place it at last on deposite in banks for safe-keeping, until they are called on by the Government for it.

"This temporary use of the money on deposite in a bank constitutes the only compensation which the bank receives for the risk of keeping it, and for the service it performs. If receivers be employed, they cannot perform any other service than to keep the money, and must be paid a compensation from the Treasury."

These evidences, added to the fact, that upon the question of adopting the sub-Treasury plan proposed by Mr. Gordon, every friend of the administration, save one, (Mr. Beale, of Virginia,) voted against it, as did a majority of the opposition, are conclusive of the preference of the late administration for the State bank over any other system. It has been said that the friends of the administration voted against this scheme with a view of trying the sufficiency of the State bank system, that is, to make an experiment; but General Jackson's, Mr. Woodbury's, Mr. Benton's, and Mr. Polk's assertions are at war with this imputation. Each of them attested that the State bank system had been well tried, and found amply sufficient for all the purposes of fiscal agency, domestic exchanges, and sound currency. I cannot believe that the friends of the administration would thus have experimented upon such an important and delicate subject as the currency, when there was presented for their adoption a scheme so constitutional, so republican, so wise, and so efficient, as the Treasury scheme is now thought to be.

But, Mr. Chairman, I am not without further evidence from very high authority. Although the President of the United States, in his message to this Congress, represents that this is the third fiscal connexion between the State banks and the Government which has failed, yet he certainly did not regard the two previous failures as constituting any serious objection to the system; for in August, 1836, preceding the last presidential election, in a letter to the honorable Sherrod Williams, of Kentucky, he ably sustained the State bank system. In that letter he used the following language:

"Although I have always been opposed to the increase of banks, I would nevertheless pursue towards the existing institutions a just and liberal course—protecting them in the rightful enjoyment of the privileges which have been granted to them, and extending to them the good will of the community, so long as they discharge with fidelity the delicate and important public trusts with which they have been invested."

These evidences, which have been afforded from the foundation of the Government to the present hour, of the value of the State banks as fiscal agents, are mainly offered by those who now seek to destroy that fiscal agency, and refuse their notes in the receipts of the public dues. This system, which was sound democracy in 1835, is bank rag aristocracy in 1837. While defending this system, in 1835, I was a good democrat; but, in 1837, for still defending the same system, I have become a bank aristocrat: from this it would seem that democratic principles, like deranged currency, are somewhat fluctuating.

Mr. Chairman, experience, which is the most unerring of all human guides, one truth tested by which is worth a thousand theories, has taught us that credit is a plant of a delicate character, and cannot, with safety, be rudely handled; it must be touched as cautiously as you would touch the sensitive plant. Often has the soundest credit, with the most ample, though not immediately available means, withered and sunk beneath the breath of unjust and unwarranted suspicion. No credit and no credit system can be sustained without confidence: confidence is its very essence, and whenever withdrawn, whether justly or not, seriously affects it. The banking institutions of the country are sustained entirely by confidence; without it their notes would have no circulation, and they would not be able to conduct their business profitably. Want of confidence, then, or withdrawal of existing confidence, must, in the nature of things, greatly prejudice these institutions, and derange and embarrass their operations.

The recommendations of the President and the Secretary of the Treasury, to discontinue the present deposite system, and the receipt of the notes of the banking institutions, is based upon the allegation that these institutions have been unfaithful to their high obligations, and therefore not worthy of continued confidence. The present suspension of specie payments and its consequences, is the ground upon which this recommendation is founded. I propose, Mr. Chairman, briefly to examine whether the present condition of the banks, both as relates to their ability to meet all their liabilities, and the propriety of the suspension of specie payments, justify this charge, and the entire withdrawal of public confidence. That the deposite banks will be able to redeem all their liabilities, and that at no very distant period, is very manifest, not only from the report of the Secretary of the Treasury, but from their actual condition as ascertained and reported to this House. After the cautious and rigid scrutiny instituted into the condition of the State banks, when they were about to be selected, I suppose it will not be doubted that the selected banks were entirely responsible, and in high credit. I have selected eighteen of the principal banks in which the public money was deposited, and three others selected in 1835. The following comparison of their aggregate condition, in relation to circulation and specie, when they were at first selected, and now, according to the last returns, proves most conclusively that, in relation to specie and circulation, their condition is materially improved.—[For the statement here referred to, see next page.]

All other liabilities and responsibilities are improved in nearly the same ratio. I refer to the last returns from the Treasury Department, and those officially published by the different and most important banks, to prove that there has been a general improvement in the condition of nearly all the banking institutions. I have before me an official statement of the condition of the banks of Virginia, exhibiting an improved, and improving condition, and entire solvency. I might refer to others, but time will not admit. The Treasury reports prove that, notwithstanding the suspension of specie payments, the deposite banks have rapidly reduced, and have nearly extinguished their debt to the Government. On the first day of January last, there was in the deposite banks to the credit of the Treasury, $42,468,859 97, of this sum there has been transferred and paid to the States, under the deposite act, $27,063,430 80, leaving a balance of $15,405,429 17; of that balance and of all deposites made since, there now remains only the sum of $12,418,041 due to the Government; of this there only remains $8,166,492 85 subject to draft, drafts having been issued for the remainder; and I do not doubt the amount is now much less. Of this amount, there is due less than $1,000,000 from the banks in the Atlantic States. Since the 1st of May, about the time specie payments were suspended, according to the report of the Secretary of the Treasury, the deposite banks have reduced their discounts $20,388,776, their circulation $4,991,791, their public deposites $15,607,316, while their specie has diminished less than $3,000,000. The Secretary further informs us that, "of the number of eighty-six banks employed at the

time of the suspension, ten or eleven are supposed to have paid over all the public money which was then in their possession, to the credit of the Treasurer. In the custody of more than half of the others, an aggregate of less than $700,000 remains unadjusted. Several of the rest, still possess large sums; but many of them have continued promptly to furnish such payments from time to time, for meeting the public necessities." Mr. Chairman, these payments and these exertions afford most conclusive evidences of the frauds and insolvency of the local banks! Would to God, all fraudulent and insolvent men would furnish a little more evidence of dishonesty and insolvency such as this, sir. The Secretary of the Treasury, from his report, does not expect to lose a single dollar of the public money, so that the disconnexion recommended, cannot have any foundation on this ground. But, sir, the Treasury Department affords us another important fact, in its circular

Condition of eighteen of the principal banks when first selected, and up to August 15th, 1837, *including three of the prinipal selected banks under the acts of* 1836.

	Capital.	Circulation.	Specie.
When first selected - -	$20,725,670	$14 550,075	$3,825,298
About August 15th last - -	44,970,960	18,505,739	5,457,556
	$14,245,290	$3,955,664	$1,632,258

The circulation not quite three to one of specie.
The annexed table shows their individual condition.

Banks.	When first selected.				15th August, 1837.			
	Specie.	Circulation.	Capital.		Specie.	Circulation.	Capital.	
Commonwealth, Boston -	$11,507	$105,700	$300,000		$19,170	$303,960	$300,000	
Merchant's, Boston -	50,470	174,100	750,000		103,080	211,270	1,500,000	
America, New York -	212,770	375,750	2,100,000		613,530	425,420	3,100,000	
Mechanic's, New York -	264,040	603,000	2,000,000		43,200	417,200	2,000,000	
Manhattan, New York -	257,202	345,000	2,000,000		266,270	426,660	2,000,000	
Girard, Philadelphia -	66,480	389,000	1,500,000		239,700	777,470	5,000,000	
Union, Baltimore -	92,899	382,000	1,840,000		75,710	237,640	1,815,560	
Metropolis, Washington	17,030	105,400	500,000		44,420	364,930	500,000	
Planter's, Savannah -	219,200	193,555	535,000		283,550	260,140	535,400	
State Bank, Ala., Mobile -	427,560	1,145,600	1,000,000		283,550	1,655,220	2,300,000	
Planter's, Natchez -	113,220	1,510,430	1,200,000		138,600	1,521,760	4,265,000	
Union, Nashville -	69,211	1,747,000	1,243,000		303,230	1,307,480	2,000,000	
Union, New Orleans -	329,275	921,000	5,500,000		196,100	1,305,470	7,000,000	
Commercial, New Orleans	75,509	370,950	1,812,800		89,580	402,340	3,000,000	
Michigan, Detroit -	40,241	228,600	350,000		118,316	530,460	450,000	
Far's & Mechanic's, Detroit	23,230	111,560	103,989		84,850	169,900	400,000	
Bank of Virginia -	406,880	2,741,600	2,740,000		82,670	2,572,990	3,240,000	
SELECTED IN 1835.								
Plant. & Mec's, Charleston	257,350	2,073,200	1,080,000		244,637	731,225	1,000,000	
State Bank, N. Carolina -	157,600	953,070	1,085,000		500,450	1,220,560	1,500,000	
State Bank, Indiana -	637,102	944,200	800,000		999,884	2,476,076	1,845,000	
	$3,825,298	$14,550,075	$20,725,670		$5,457,556	$18,505,739	$44,920,960	

Comparison of exchanges.

In 1834, exchanges of the Bank of the United States - - - - $225,617,910
In 1836, by deposite banks - - 420,463,211

to the banks of the 3d of July last, upon the subject of the suspension of specie payments, and additional security for the public dues. He says:

"It affords me much gratification to find, so far as regards the inquiry concerning the payment and security, a great willingness expressed to make the United States amply safe for the eventual payment of all that is due, and a strong conviction entertained by the banks, that no loss will be ultimately sustained by the Government."

Again he says:

"Another portion of that circular communicated information concerning the lenient mode which, under the severe losses experienced by many of the banks from mercantile failures, and under the embarrassments to others, caused by panic and want of confidence, was contemplated to be adopted in recalling the public funds. That mode was by such moderate drafts and transfers as the public necessities should from time to time demand; and an earnest request having been made for a satisfactory compliance with it on the part of the banks, assurances have generally been given of a readiness to answer those calls with promptitude, and in an acceptable manner."

Again he says:

"The returns of the condition of the selected banks, which were requested to be continued, have generally been made with promptitude and regularity. But while it is very satisfactory to see, in most cases, a reduction in discounts and circulation, and which course is the most efficient to cure one of the existing evils in banking, and to enable the institutions which have suspended specie payments to resume them at an early day, and with much greater safety, it is regretted that, in a few instances, this course has not been adopted. But whenever departed from in such a crisis, the error has tended, and must tend hereafter, to impair the confidence of the Department in the sound management of the institution, and to justify such steps as may lead to a more speedy withdrawal of the public money, or to the procurement of increased security."

From these evidences, I take it for granted, that the deposite banks are solvent, and that the Government will not lose a single dollar by them.

This is not the only evidence afforded by the Secretary of the Treasury of the solvency of many of the deposite banks, and the reliance placed upon them to aid in redeeming the country from its present embarrassed condition. On the 13th of the present month, while the bill authorizing the issue of Treasury notes was depending, the Secretary addressed the following letter to several of these institutions, proposing to them to purchase the Treasury notes which shall be authorized, and to pass the proceeds to the credit of the Treasury as specie, to be paid as the wants of the Government may require; this is the letter:

"TREASURY DEPARTMENT,
"*September* 19th, 1837.

"SIR: A bill is now before Congress to authorize the President of the United States to cause the issue of Treasury notes for such sum or sums as he may think expedient; but not exceeding, in the whole amount of notes issued, the sum of twelve millions of dollars, and of denominations of not less than one hundred dollars for any one note, to be reimbursed at the Treasury of the United States, after the expiration of one year from the dates of the said notes respectively.

"I will thank you to State whether, in the event of the passage of the bill, you will agree to take the said notes from the Government, and give the Treasurer of the United States a credit for the amount; to be drawn for as may be necessary, and payable in specie if required; and, if so, to state what amount you will receive, and the lowest rate of interest to be borne by said note."

"I am, very respectfully, your obedient servant,
"LEVI WOODBURY."

Yes, sir, some of these faithless and unworthy institutions are appealed to, to purchase Treasury notes, and pass the proceeds to the credit of the Government, and hold it until it was wanting by the Government.

Judging from the generally admitted principle, that the soundness of a bank is to be determined by the proportion of its actual specie capital to its circulation, the deposite banks are sounder than the Bank of England, or the English joint stock banks. Up to the 25th July last, the relative proportion between the specie capital and its circulation was as follows:

	Specie.	Circulation.
Bank of England -	$26,150,000	$91,305,000
Private and joint stock banks	00,000,000	5,362,165
	$26,150,000	$96,667,165
U. States deposite banks	$11,429,012	$31,779,804

From this comparison it is manifest that the deposite banks in the United States, were in a condition better to sustain a sound currency and specie payments than the English banks, unless some other cause should operate a different effect. Yet, although the same causes which embarrassed the commerce and credit of the United States existed in England, the Bank of England continued specie-payments, and the Bank of the United States suspended. Why? Four causes are manifest; 1. The Government of England continued their confidence in their institutions, ours withdrew its: 2. A large debt was due from the American to the foreign merchants, and a necessity for large specie exportations produced: 3. The continuance of the specie circular: 4. The execution of the deposite act of the 23d June, 1836.

From the connexion which existed between the Government and the State banks, growing out of their adoption as fiscal agents, and the general impression which it produced, that the Government was disposed to cherish and sustain them, the slightest manifestation of the want of confidence on the part of the Government, was calculated to produce the most disastrous effects upon their credit, and cripple their operations. It was calculated to impair general confidence, and produce a rush for specie, so sudden and violent that but few banking institutions could be prepared to withstand it. This want of confidence was clearly manifested in the Treasury circular of July, 1836, in which danger was distinctly announced to the country. This measure of itself, however, could not have exerted any very deleterious influence upon the credit of the banks; but, operating in conjunction with other causes, was calculated seriously to impair public confidence, and to produce serious embarrassments in the monetary system of the country.

The Treasury circular, which required specie for the payment for the public lands, produced an unusual and unnecessary drain of specie from the Atlantic to the western banks, and, of course, it was incumbent on the eastern banks to use the usual precaution of contraction to meet the demand, whatever, it might be. Independent of this direct operation, emigrants, who were numerous from the eastern to the western States, sought that kind of currency which was receivable at the land offices. Hence, specie being only receivable there, they demanded specie for their notes, which being principally eastern, the eastern banks were bound to pay. These drafts for specie were calculated to produce a corresponding curtailment of the circulation and loans of the banks, which were among the professed objects of the order. The gold and silver thus drawn from the eastern, was deposited in the western banks, and there kept entirely unemployed, to the great detriment of trade, awaiting the drafts of the Government. In addition to the operation of the specie circular, and about the time of its utmost severity, the pressure of a heavy foreign debt created an additional heavy demand for specie, which was principally to be drawn from the vaults of the banks. The effect of this demand for specie to pay the foreign debt, necessarily produced a contraction of loans and circulation, corresponding with the extent of the demand. We all remember the gloomy period of 1819, when distress and ruin pervaded the whole community, and filled it with dismay, and as it is fair to judge of the present by the past, I have selected the four years preceding 1819, and the preceding four years, with a view to contrast the state of trade then, with its present state; in order, in part, to account for the present revulsion and derangement of commerce, and the effects now, as then, produced. In the years 1815, '16, '17, and '18, the state of foreign trade was as follows:

	Exports.	*Imports.*
1815	$52,557,753	$113,041,274
1816	81,920,452	147,103,000
1817	82,671,569	99,250,000
1818	93,281,133	121,750,000
	$310,430,907	$481,144,274
		310,430,907
Excess of importations over exports		$170,713,365

Which, after proper allowance for tonnage and other expenses, left a heavy balance. The effect was, that a bank circulation in 1816, of $110,000,000 was reduced in 1819, to $45,000,000; we all recollect during this year, the immense deduction which property, produce and labor underwent. The foreign trade for 1833, '34, '35, and '36, is as follows:

	Exports.	*Imports.*
1833	$90,140,438	$108,118,311
1834	104,336,973	126,521,332
1835	118,955,239	151,030,368
1836	128,663,040	189,980,035
	$442,095,690	$575,650,046
		442,095,690
The excess of importations, -		$133,554,356

Leaves a large foreign debt; and although the balance now is 37,000,000 less than in 1819, yet it is sufficiently large to render a heavy reduction in bank loans and circulation necessary to meet it; because exchanges, being materially reduced, it could be met in nothing but specie. The heavy importations of specie from England, through the instrumentality of acceptances of American drafts alarmed the Bank of England for its own safety; and to counteract this drain, it refused to discount for any merchant who accepted American bills, thus making it necessary to demand more specie for the payment of the foreign debt than would otherwise have been required. This policy was more rigidly pursued than perhaps it otherwise would have been, had it not been supposed, from the declarations of a great portion of the American press, that it was a part of the policy of our Government to prevent the exportation of specie entirely, and continue, as far as possible, the drain from Europe. Combined with these causes, was the execution of the deposite act of June, 1836.

It having been ascertained from the rapid increase of the revenue from the sales of the public lands, and the duties on foreign importations, that there would be a large surplus in the Treasury on the 1st of January, 1837, it was determined to withdraw it from the control of the Federal Government, (to which its possession offered so many strong and dangerous temptations,) and from the custody of the deposite banks, to prevent its being made the foundation of dangerous and excessive issues of bank paper; and to place it in the custody of the State Gevernments, thus to remain to be employed for the local benefit of the people, (from where it had been unconstitutionally and improperly drawn,)

until needed for the legitimate purposes of the Government, a disposition, in my humble opinion, both wise and salutary, both as regards the currency and the purity of the Government. For the purpose of giving the banks timely notice, and to enable them to meet the demands of this law without detriment to themselves or the public, the operation of the act was not to commence until the 1st day of January after its passage, a period of six months, and then to be met in four equal quarterly instalments. This was ample time to prevent any serious derangement of the affairs of the banks, or the commerce of the country. In a short time after the passage of this act, and long before it was ascertained what would be the amount to be distributed, and of course the first instalment, the Secretary of the Treasury issued his orders to the deposite banks, directing them, by a fixed period, to transfer to specified points, about $13,000,000, (as well as I recollect,) instead of giving drafts to the States for their several quotas on the most convenient banks to pay the amount on the day it was due; which might have been met, according to the usual mode of commercial exchange, between creditor and debtor banks, and merchants; and by which they would have been performing but the usual commercial functions; whereas, by the operation of the orders of the Treasury Department, the amount to be transferred was abstracted from commercial employment, from the time of the transfer till the payment; and created a demand, in some instances, for specie, which might have been avoided. Thus was inflicted upon commerce an injury from the injudicious execution of the law, which is dexterously ascribed to the provisions of the law itself! This operation was particularly severe upon the New York banks, which held in the neighborhood of $20 000,000 of the public deposites. The deposite act in itself did not necessarily decrease, or tend to decrease, the active capital of the country; it was taken from banks to be again put into banks. While it reduced the active means of some, it increased that of others. In many instances the credit was only passed from the Federal to the State Governments. There was nothing in it to embarrass the trade and commerce of the country. The effect was produced by its unwise execution, coming in aid of other causes of an embarrassing character. In this opinion I am sustained by the most able and skilful financiers of the country.

At about the time of the suspension of specie payments, there were in the banks, (if my estimate be correct,) about $155,000,000 of private deposites. These private deposites were generally made in bank notes; yet the depositors had the right to demand specie for them. When the operation of these causes were perceived, and the diminution of confidence on the part of the Government manifest, the private depositors, in place of their deposited notes, began to demand specie. Brokers also began to demand specie for all the notes which they held, or could purchase, and this was no small amount.

The banks in the city of New York, where the storm first began to rage and to produce most serious effects, although ultimately responsible for all their obligations, could not meet this sudden rush upon their vaults, without ruin to themselves, and the people; they therefore suspended specie payments. This suspension, the causes of which were not understood by the country, produced alarm throughout the whole community; and a general suspension of specie payments was the result. By this suspension I do not doubt that the banks have not only saved themselves but the country from utter ruin and destruction. I confidently believe that the withdrawal of the confidence of the Government, so strengthened the operation of all the causes to which I have adverted, that it compelled the banks to a course which, with the fostering care and continued confidence of the Government, could and would have been avoided: for the banks have no interest whatever to embarrass their own operations by an act so destructive of that credit which is so necessary to the successful extension of their business—for sound unsuspected credit is the very soul of their operations, and the foundation of their profits.

The truth of this argument is fully sustained by recurrence to the history of the Bank of England as well as our own banking institutions. On many occasions the Bank of England has been sorely pressed, yet it retained the confidence, and was aided by the Government, and was enabled thereby to surmount its embarrassment, and recover from its difficulties. In 1793, particularly, its operations were so embarrassed, and the rush for specie so great, that it was compelled to suspend specie payments; and continued the suspension, without intermission, from that time till 1829; many of the causes which produced the suspension, continuing to exist during the whole time. In this state of embarrassment, its course was justified by the British Government, whose confidence and that of the mercantile community continued, and its suspension was legalized, until finally, by a prudential course of measures, adapted to its true condition, it triumphed over all difficulties; and, in 1829, resumed specie payments, which it still continues. The confidence of the Government and merchants enabled the bank thus to sustain itself; to maintain its solvency and its credit; and to perform, with success, its commercial and fiscal duties.

In 1815, the State banks, from the operation of many causes, suspended specie payments, yet the confidence of the Government was not withdrawn. Mr. Dallas and Mr. Crawford, both able and patriotic men, as Secretaries of the Treasury, having sustained their credit by all the means in their power. Mr. Crawford, particularly, made large deposites of public money in many of them, and thereby enabled them to indulge the people, maintain their own credit, redeem their debt to the public, and finally, in 1817, to resume specie payment. I believe if the same benevolent and patriotic policy had been pursued towards the State banks, at the present period, the existing suspension would not have continued to this time, if it had taken place at all. Mr. Dallas nor Mr. Crawford, however, had not conceived the idea of a total separation between the Government and the banking institutions of the country as fiscal agents; and, therefore, felt some inducement to sustain and preserve them; but a different feeling seems to prevail with the present Secretary of the Treasury, who can only expect to succeed in his views by the embarrassments and difficulties of the banks. While I do not ascribe to him any design to produce the embarrassment which has overtaken the banks, and, with them, the commerce of the country, yet I am well satisfied that he has withheld from them that confidence, which might justly have been extended; and which would, before this, have redeemed them from their embarrassing difficulties, and have afforded salutary relief to the people, and the commerce of the country.

The charge made by the President, and those who now favor a total separation between the fiscal operations of the Government and the banks, "that they have been guilty of an excessive issue and circulation of their paper," is true—lamentably true. Yet I cannot perceive in all the facts and circumstances connected with the charge, that they have been actuated by any improper or impure motives. These institutions are conducted by men who are liable to be misled by the same impulses which betray the most prudent and the most cautious of mankind into occasional error. A spirit of speculation had extensively spread itself throughout the country; acted and re-acted from the people to the banks, and from the banks to the people, until all, absorbed by brilliant prospects of immeasurable wealth, were beyond the bounds of prudence and discretion; and ruin to many, has been the penalty. These impulses have occasionally produced like effects through all periods, and resulted in like catastrophes, whether their currency was exclusively metallic or not.

All these evils carry with them, however, sure antidotes. The current of money has its level; and whenever it exceeds that level, the redundancy runs off, and leaves the current at its proper level. In its reduction, serious and distressing injury is often inflicted; yet the return is gradual and sure. But a question arises, whether the banks are entirely in fault in this matter? Is not the Government itself much in fault? And shall the banks be compelled to take the whole responsibility for an error in which the Government has largely participated? At the time the public deposites were removed from the Bank of the United States, the then Secretary of the Treasury, acting under the impression that the charter of the Bank of the United States was not to be renewed, and that its extensive circulation and discounts were to be called in, in order that no shock to the business of the country might be sustained, urged upon the State banks, in the following note, the duty which would devolve upon them to supply the vacuum which would be created by this withdrawal, growing out of their fiscal connexion with the Government. This the banks attempted to do, and gradually increased their accommodations, and enlarged their circulation. He says:

"TREASURY DEPARTMENT,
"*September* 26, 1833.

"SIR: The Girard Bank has been selected by this Department as the depository of the public money collected in Philadelphia and its vicinity, and the collector at Philadelphia will hand to you the form of a contract proposed to be executed, with a copy of his instructions from this Department.

"In selecting your institution as one of the fiscal agents of the Government, I not only rely on its solidity and established character as affording a sufficient guarantee for the safety of the public money intrusted to its keeping, but I confide, also, in its disposition to adopt the most liberal course which circumstances will admit towards our moneyed institutions generally, and particularly to those in the city of Philadelphia.

"The deposites of the public money will enable you to afford increased facilities to commerce, and to extend your accommodations to individuals. And as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred, in the additional accommodation which the public deposites will enable your institution to give, whenever it can be done without injustice to the claims of other classes of the community.

"I am, very respectfully, your obedient servant,
"R. B. TANEY,
"*Secretary of the Treasury.*"

To the PRESIDENT *of the Girard Bank, Philadelphia.*

This recommendation was repeated by the late President in his succeeding annual message. By the deposite act of June, 1836, for proportions of the public money beyond a specific amount, the deposite banks were required to pay interest, which made it a principle of self-defence that they should extend their loans and increase their circulation; because it was not to be expected that they would lock up and keep unemployed the public money, on which they were bound to pay interest! These two causes combined certainly produced an excess in the bank discounts and circulation of the country. This excess has been increased by another cause, which Mr. Taney nor Congress did not, and could not, have anticipated. The vacuum which was anticipated by the refusal to renew the charter of the Bank of the United States, was never produced; for, contrary to all expectation, the capital and stockholders of that bank were subsequently incorporated by the State of Pennsylvania, which continued in circulation its notes, and prevented any material diminution in its discounts.

I appeal, then, to the good sense of this House to say, whether the excessive issues complained of, have not been produced by causes, calculated in their very nature to mislead, and produce the excess complained of, without the slightest imputation of fraud or corruption against the banks?

Mr. Chairman, the connexion which now exists between the finances of the Government and the deposite banks, was produced by the solicitations of the Government itself. The Government found itself engaged in a severe and dubious conflict with the Bank of the United States, which it had determined to overthrow. To do this, it was necessary so to conduct its operations, that the commerce and business of the country might not be materially shocked, and the sensibilities of the people excited. To effect this, it sought the aid and procured the operation of the late deposite banks, without whose aid and co-operation, I have no hesitation in believing the Bank of the United States would have triumphed. Yes, sir, I believe that it would have successfully resisted even Andrew Jackson, with all his popularity, his acknowledged firmness and courage. The State banks came to the aid of the Government, and the Government triumphed. For this they incurred the undying hostility of the Bank of the United States, which still pursues them. They incurred the denunciations and prophecies of evils of the opposition, who opened upon them all their batteries. This they withstood; but in the hour of victory, which they so signally contributed to achieve, in the very first hour of their difficulties and perils, the very friends whom they rescued from defeat, have taken possession of the batteries of the enemy, and now pour thick volleys upon their devoted heads. Is this generous? Is it magnanimous? Is it liberal? I leave you, sir, to give the answer. I leave you to determine whether, for causes which makes the act not only excusable, but justifiable, these institutions are to be utterly annihilated for their late suspension of specie payments, when they have, upon trying occasions, afforded seasonable relief to the country, and are entirely solvent.

That the State banks are susceptible of such regulations as will secure to the country a sound currency, I do not doubt; for this is clearly proved by experience; and that the revenue of this Government may be so employed as to be a most potent engine in the accomplishment of such a desirable object, by the force with which either their hopes or fears may be addressed, cannot be reasonably doubted. In 1816, when specie payments were suspended, and the evils of a redundant and deranged currency afflicted the country much more severely than now, Mr. Webster, in a speech delivered in this House on the 30th April, 1816, expressed himself thus: "If these banks, (meaning the State banks,) do not resume, what engine, he asked, was Congress to use for the remedying the existing evil? Their only legitimate power was to interdict the paper of such banks as do not pay specie from being received at the custom-house. With a receipt of forty millions a year, he said, if the Government were faithful to itself and the interests of the people, they could control the evil, and it was their duty to make the effort. They should have made it long ago, and they ought now to make it; the evil grows worse by indulgence. If Congress did not now make a stand, and stop the current whilst they might, would they when the current grew stronger and stronger hereafter do it? If this Congress should adjourn without attempting a remedy, he said, it would desert its duty."

If then, how much more potently could Congress now operate with the enlarged revenues of the Government? Yet Mr. Webster did not hold over the heads of the banks the terrors of a final and eternal separation. Mr. Biddle, the President of the Bank of the United States, in his triennial report to the stockholders, in 1831, says: "And they (the Bank of the United States and branches,) re-

ceived freely the notes of the solvent State banks, with whom periodical and convenient, but certain, settlements of accounts were made."

"By receiving freely the notes of the State banks, within convenient reach of the late bank and its branches, and by frequent settlements with them, these institutions are kept in the habitual presence of an accountability, which naturally induces them so to apportion their issues to their means as to secure the soundness of the currency."

I do not doubt the soundness of an opinion, so thoroughly demonstrated by the practice which fell under the observation of him who expressed it, and I do not doubt that the Government, in the employment of its revenues, and the observance of the same rules, may, through the instrumentality of the State institutions, preserve a sound currency, with much more success than the United States Bank did. Frequent periodical, and certain settlements are the efficient instruments by which excessive issues may be avoided, and sound currency preserved.

Mr. Chairman, if existing laws, which prohibit the continuance of any deposite bank as a fiscal agent of the Government, and the refusal of their notes in payment of the public revenue, had not sufficient terror to prevent the suspension of specie payments, how much more efficacious do you suppose the adoption of this measure, as the permanent law of the land, will be in restoring specie payments—so much to be desired, and so necessary to the prosperity and tranquillity of the country? Sir, it will not only not hasten, but greatly prolong that important event. During the suspension of 1816, Mr. Dallas then Secretary of the Treasury, in his annual report to Congress of the 3d of December, 1816, expressing his opinion upon this identical subject, and the propriety of exercising the power of such restriction, said: "The successive attempts made by this department to relieve the administration of the finances from its embarrassments, have been ineffectual. There was no magic in a mere Treasury instruction to the collectors of the revenue, which could by its virtue charm gold and silver into circulation. The people, individually, did not possess a metallic medium, and could not be expected to procure it throughout the country, as well as in cities, by any exertion unaided by the banks. And the banks, too timid, or too interested, declined every overture to a co operation for reinstating the lawful currency. In this state of things, the Treasury, nay, the legislature remained passive. The power of coercing the banks was limited to the rejection of their notes in the payments of dues and taxes, and to the exclusion of their agency in the custody and distribution of the revenue; but the exercise of that power could not generate a coin currency, although it would certainly act oppressively upon the people, and put at hazard every sum of money which was due to the Government. Until, therefore, a substitute was proposed for the paper of the bank, it would have been a measure of impolitic and useless severity towards the community to insist that all contributions to the expenses of the Government, should be paid in a medium, which, it is repeated, the community did not possess, and could not procure."

In addition to these strong views of Mr. Dallas, which apply with irresistible force to the present state of things, I add those of the able, the patriotic, and practised statesman, William H. Crawford, who succeeded him in the office of Secretary of the Treasury. In a letter dated November 29, 1816, addressed to Wm. Jones, then President of the Bank of the United States, he says:

"From this view of the subject, as well as from a general knowledge of the means with which the Bank of the United States will have to commence its operations, and of the difficulties which it will have to surmount if the State banks do not make a simultaneous effort, it is manifest that, without their co-operation a national currency equal to the indispensable demands of the community cannot be obtained by the 20th of February next, from the efforts of the bank and Treasury, under the existing legal provisions."

Again—in the same letter he says:

"It is, however, most ardently desired by the Government that the necessity of resorting to the issue of Government paper may be avoided, by the resumption of specie payments by the State banks on or before the 20th of February next. As an inducement to this measure, the Government can only aid their operations by withholding from circulation as much of their paper now in the Treasury, or which may hereafter be received, as the demands upon the Treasury during the ensuing year will permit: as the sum which it will be in the power of the Government to retain in the Treasury, will be considerable, it may present a sufficient inducement to change their determination not to resume specie payments before the 1st day of July next."

Again—he says:

"How far the discrediting of their paper, by refusing to receive it in discharge of dues and taxes, will influence their conduct, can only be ascertained by the experiment."

These views of these two able and distinguished men, expressed in the midst of a pressure more severe and infinitely more alarming than the present, are entitled to the greatest weight. It was then, so it may now be truly said, that this bill will not legislate a coin currency into existence, nor put gold and silver into the pockets of the people! Its only effect will be to prolong the resumption of specie payments; reduce and depreciate the already reduced currency of the country, and ruin and oppress the people. Sir, if you would secure the resumption of specie payments within a short time, instead of crippling, you must encourage and support the banks in their exertions to resume, which we have good reason to believe they are honestly exerting themselves to do. They now only need a little further reduction of the foreign debt, (which presses on them so severely, but which is rapidly being reduced,) and the restoration of the confidence of the Government, to resume specie payments. This I do not doubt they will be able to do by the 1st of April. Let us only imitate the examples, and practise the lessons of Crawford and Dallas, and all will be well; confidence will be restored and commerce resume its usual activity. Even if the scheme proposed by the Committee of Ways and Means were wise and practicable, it cannot be carried into execution at this time, without ruin to the whole mercantile community. Until the vaults of the banks are unlocked by the resumption of specie payments, specie in sufficient quantities cannot be procured. The attempt to enforce this law, in the present state of the metallic currency, would produce unparalleled distress. The maximum exchanges of the United States Bank in 1832, amounted to $254,000,000; that of the State banks in 1836, to $324,000,000, which proves the capacity of the State banks, to conduct the exchanges of the country, beyond doubt. From the foregoing considerations I conclude that there is no reason for discontinuing the State banks as fiscal agents of the Government, that did not equally exist against their employment.

Notwithstanding the fact that the States, from the foundation of the Government, have chartered, and continue to charter banking institutions, and this Government has been in the uniform practice of employing them as fiscal agents, it is now gravely contended by some that these institutions are unconstitutional. The argument is derived from the constitutional prohibition upon the States to emit "bills of credit." If the States had made the notes of the banks which they have incorporated, a legal tender, then the argument would have been good; but so long as they are not made a legal tender, and every man is at liberty to receive them or not, at his pleasure, then the prohibition

of the constitution does not apply. I need not detain the committee by any argument of mine. This question was determined directly by the Supreme Court of the United States, at its last session—a democratic Supreme Court, of which Roger B. Taney is Chief Justice. I will simply refer to the able, lucid, and unanswerable arguments of the judge, the opinion of the court, in the case of Briscoe vs. the Commonwealth of Kentucky. But it is contended by some that it is equally unconstitutional to employ State banks as fiscal agents, as to charter a national bank. I cannot see the force of this very recent objection; there is a material difference between creating an institution which is not authorized by the constitution, and entering into compacts with corporations which are created by governments, having the constitutional power to create them, and imparting to them the express power of contracting. I do not perceive that, because the Government of the United States cannot, by authority of the constitution, incorporate a national bank, that it therefore cannot enter into a contract with individuals, which it is daily in the habit of doing. The State banks, being constitutionally incorporated, and having the power to contract, stand to the Government precisely in the same relation as individuals, who have the power, and may contract with the Government. Sir, I have been much surprised to hear an argument so fallacious, so gravely and so earnestly urged.

I will now, Mr. Chairman, call the attention of the committee to the scheme presented to the consideration of Congress by the Executive, and offer to its consideration as briefly as I can my objections to it.

The first objection is, that it will be trying an experiment, to say the least of it, of very doubtful results. My friend from Virginia, [Mr. JONES,] in a very able speech a few days past, seems to justify embarking on this experiment, as he admits it to be, on the ground that the Government itself is but an experiment. It is true that our system of Government, when it was entered upon, was but an experiment, yet it was a necessary one, and in its progress has developed the wisdom of its adoption. But surely my friend would not argue that because the system was originally an experiment, that it would be prudent to abandon that part of the system which has worked well, and adopt one which has no practical result to recommend it. I regard it as the part of wisdom to adhere to every system which experience has taught to be wise and salutary. I am sure my honorable friend would not be willing to surrender our admirable system of government and adopt another which had nothing more to recommend it than that it was an experiment. The system of bank deposites has been tried, and, although there have occasionally been some disorder and derangement, as there has been in all human affairs, has generally worked well. So far as the experiment now proposed has had any practice, it has been unsuccessful, and proved its utter insufficiency.

The second objection which I present is, that the public money will be unsafe, and its effects demoralizing. The safety of the public funds is an important matter, and should enter deeply into the consideration of Congress in the adoption of any system which may be proposed. We all know that there is no system which human ingenuity and sagacity can devise that would be entirely safe. Yet reason and experience teach us that there are some more safe than others, and that which reason and experience teaches to be the most safe should be adopted. In view of this question of greater safety, let the present and the system proposed be contrasted. Place, if you please, the estate of any individual who might be selected as the depositor and keeper of the public money by the side of the capital of any bank which would, in the exercise of a sound discretion, be selected, and how vast the difference in favor of the bank: compare the inducement which the bank has to preserve its good faith and credit, in a mere pecuniary point of view, with that of an individual, and how great the disparity in favor of the bank: compare the force of the moral obligation on the part of the bank with that of the individual—all the officers of the bank, the directors and the stockholders, are deeply interested in preserving its faith with the Government and all other depositors. Under the proposed system a single individual is interested. Contrast, if you please, the means of detecting fraud, peculation, and defalcation: in the banks the officers are in daily watch and check upon each other; the directory hold weekly sessions and superintend the officers, and the stockholders hold annual meetings and examine and scrutinize into the conduct and management of the whole. As to the individual depositor, there would be only the Secretary of the Treasury, who, residing at the seat of Government, would have but little opportunity to detect defalcation and other malversations.

But it is urged by the President that ample security may be taken which will remove all these objections. Sir, whatever collateral security you can take of individuals you can also take of the banks, which leaves the question of safety still decidedly in favor of the banks; the best security which can be had is in the adequate responsibility of the depositor, and that, in every sense of the word, is with the banks. The President seems to be under the impression that the high obligations of official duty, which the public officers will feel, will afford strong security against abuses. Sir, however honestly the President may entertain this opinion, I regard it entirely illusory. Official parchment never yet made a man honest who was naturally dishonest; nor did it ever yet protect against the seductive influences of temptation, where without it they would have been yielded to. Nothing—no, nothing, sir—will resist temptation but the stern and inflexible principles of integrity which are implanted in the heart of man by the God of nature.

Mr. Chairman, we are not without that most unerring of all guides, experience, upon this subject; and the result of that experience is decidedly favorable to the banks. There has been, since the formation of the Government, deposited with and disbursed by the banks about $650,000,000, with but little or no loss, according to Mr. Crawford's estimate about the 45th part of one per cent., while of the money which has been kept by individuals, which is infinitely less, much greater loss has been sustained. Let the Treasury Department open to the inspection of the American people all its outstanding balances against collectors and receivers, and I do not doubt that it will exhibit such decided evidence in favor of the bank deposite system as to decide this question now and forever. Here, Mr. Chairman, I cannot but recur to the experience of my own State upon this subject, although I do it with much regret. Sir, there was a man many years ago at the head of the Treasury Department of Virginia, who was connected with a family of the highest standing and respectability of the State, in whose integrity every man who knew him had the most entire confidence; he was proverbial for his honesty. This man, under the influence of those kind and benevolent feelings which sometimes dignify and ennoble frail human nature, but yet mislead it, was tempted to divert to his individual use larger sums of the public money than he was afterwards able to restore, and thus became recorded a public defaulter. Although he was a defaulter, he honestly surrendered to the Government and his securities his whole estate, but it was not sufficient to meet the whole defalcation. This man was John Preston, whose fate affords a melancholy proof of the power of temptation over the human heart; for I feel confident in the assertion that, in life as in death, he was an honest man. When this man's defalcation was discovered, the man who became his successor was a member of the State Legislature, and was one of the most ardent denouncers of

the defalcation, and untiring investigators of its extent: his constant cry was, Crucify him! Crucify him! This man, too, who stood high in public confidence, was also overtaken by the same irresistible temptation, and fell a victim to the same fate. He also was at heart an honest man I do not doubt. I do not doubt that the fiscal history of many of the States affords some melancholy examples of this kind. If we descend from high State officers to the collectors in the counties, we find many memorable and melancholy instances of defalcations in collectors and keepers of the revenue. With so many examples, Mr. Chairman, before our eyes, will Congress plunge into a system where the inducements will be greater, and the temptations necessarily stronger, on account of the immense sums of money which will be placed within the reach of individual depositors? I trust not. I hope we shall be warned by the dangers of the past, and avoid them for the future. The collateral security which may be taken by the Government will afford little or no relief from the effects of defalcation, because, if the collecting officer fails, the Government cannot reach the securities except by a tedious course of litigation, and then it very often fails to recover the money; for it is now generally regarded as a sort of a moral principle for a man to secure his estate against liability for security debts, particularly to Government; and it very often happens that before judgment is recovered the securities have, by conveyance and settlements of one description or other, placed their property beyond the reach of execution. Another strong argument in favor of the State bank system is, that if the public money be plundered from the vaults of the banks, the loss falls upon the banks; if from individual depositors, the loss falls upon the Government. This fact increases the vigilance and watchfulness of the banks, and relaxes that of the individual agent.

Although I feel very great respect for the opinions of the President, yet I cannot agree with him that this is a question between the strength of a Treasury and a bank vault; neither of these vaults would of themselves, however weak, or however strong, plunder the public money. They are incapable of that. But the question is between those who hold the keys of the vaults; between the inducements and opportunities of the one or the other to plunder the public treasure; between their liability to be plundered by one or a hundred hands.

This system, if adopted, will also exercise a very demoralizing influence upon society. Nothing is so well calculated to engender corruption in individuals or Government, as to place within their reach the means of corruption. Let every man inquire of himself, how strong the temptation to plunder, or to speculate upon the immense masses of public money which the operation of the proposed system will necessarily throw into the immediate possession and control of individuals. If lesser sums have produced the melancholy catastrophes to which I have referred, how many more may be expected when the inducements shall be so largely increased. Sir, I do not know, you do not know, this House does not know, who it is that has so much inflexible integrity and firmness of character as to be safely trusted with this immense amount. David is said to have been a man after God's own heart, yet even he was overcome by the power of temptation, and was plunged into crimes of the deepest dye. I might here inquire, who is it that has a proper regard for his own character and that of his posterity, that will trust himself in a situation so seductive, when he has before his eyes so many melancholy instances of human infirmity? Few, very few, who are trustworthy.

The third objection which I urge is, that it will increase the difficulty, risk, and expense of transporting the public money, and subject the public debtors to great inconvenience. I regard it entirely unnecessary to detain the committee to prove that which experience has so well ascertained. If the public money is to be transported from point to point throughout our immense territory in gold and silver, its bulk creates inconvenience, its exposure to public gaze begets risk, and the necessary employment of a sufficient guard to protect it against robbery will incur heavy expenses. All this is avoided by the aid of the banks, for they now transfer public money to any point directed by the Treasury Department, at their own risk and charge. The Treasury Department, which has had the superintendence of this operation from the foundation of the Government, and which can, therefore, afford the most satisfactory evidence upon this point, is uniform and undeviating in its testimony in favor of the bank system; which I should regard as conclusive. But what substitute are we to have for this convenience, safety, and destitution of expense, under the proposed system? Nothing, sir, but Treasury drafts, that I can perceive. These will not answer the purpose unless a sufficient amount of money can always be found at every point where it is wanted. This, in the nature of things, cannot be so; and to supply the amount necessary, specie must be transported, or Treasury drafts employed as a medium of circulation; which would introduce a system of Government-paper circulation, incapable of adequate restriction, liable to abuse, and at war with the genius of our institutions. This system, in the course of time, might be perverted to the most dangerous purposes, and become an engine of most potent influence. Sound policy is opposed to the creation of Government paper of any kind as a permanent circulating medium, liable to the catastrophe of the old continental paper system. It would, in effect, become a Government bank, which legislation might be found totally incapable of regulating or controlling. If the Government receives and pays out nothing but specie, the inevitable result will be, that its drafts must become not only a medium of transfer, but of circulation also.

The fourth objection which I urge is, that it will indefinitely postpone the resumption of specie payments by the banks. I do not profess, Mr. Chairman, to be skilled in matters of finance, or versed in banking operations, but I am clearly convinced that this increased and continual demand for specie must operate a heavy drain upon the vaults of the banks the very moment they resume specie payments. The merchants who have duties to pay can only rely upon the banks to supply them, for they have it not themselves. The banks, already suffering under a pressure which was well nigh exhausting them, foreseeing the effect of this new demand, would forbear to resume, and this would not only seriously embarrass the merchants and the people, but the Government itself; for, as I before remarked, the passage of the bill will neither coin money nor put it into the pockets of the merchants or the people. I, then, emphatically ask, How is this demand to be met? Sir, you may call spirits from the vasty deep, but calling will not bring them. You may pass this bill, but it will not coin gold and silver. Connected with this objection, is that of the derangement of the exchanges and the general confusion of business which this system will produce. There is no United States bank in existence which can regulate and supply the exchange demand. Individual sources have been almost entirely destroyed by the banking system. The State banks, then, afford the only certain reliance to the community for the supply and regulation of commercial exchanges. I need not urge upon the committee, that which every man's observation and experience must have taught him, that next to the means of commerce, the facility of a sound, well-regulated, uniform system of exchanges is essential to its successful operation. The demand for such a system, for the accommodation of our widely-extended and constantly-increasing commerce, both foreign and domestic, must be manifest to every one. If, then, the policy of the Government shall compel the banks

(and this system must necessarily do so) still further to curtail their circulation and loans, and restrict their exchange accommodations, is it not most manifest that the effect will be still more to embarrass commercial intercourse and paralyze the industry and business of the whole country? By curtailing the already too limited exchange accommodations with a deranged, unsteady, fluctuating system of exchanges, commerce becomes embarrassed, and with it the whole business of the country.

The limitation of exchanges below the demands of commerce, the still further reduction of bank circulation, connected with the continued suspension of specie payments, will force upon the importing merchants the necessity of purchasing specie at heavy and exorbitant premiums, to meet the claims of the Government and their foreign creditors, if even they can procure it in sufficient amounts at any premium. These profits, although they are at first paid by the merchants, are generally exacted from the agricultural and mechanical portions of the community, who principally consume foreign goods, in the shape of profits; and in this way a heavy tax is imposed upon them. Thus, while the apparent operation is upon the merchant, under the guise of an indirect system of taxation, yet the real operation is upon the laboring class, and thus a system, proposed for the good of the people, will operate to their serious injury. For, sir, be assured that the people who purchase are always taxed with these exactions upon the merchants. This system will also exert a very deleterious influence upon the commerce of the country, by diverting from the ordinary channels of trade the amount of specie which will be in active requisition to meet the demands of the Government, which I think is estimated by the Secretary of the Treasury greatly below the real amount; for I am confident five millions will be greatly inadequate. The almost daily arrival of foreign goods, and purchases of public lands, will restrict the circulation of the Government funds to very narrow bounds, so narrow that they will be of no value to the general commerce of the country.

The fifth objection which presents itself to my mind is, that this system will create a substantial distinction between the currency of the Government and the currency of the people. I have weighed, with great deliberation, and I trust impartially, the argument of the President against the truth of this proposition, as well on account of the source from which it emanates, as the intrinsic importance of the subject itself, and I am decidedly convinced that the proposition is literally and substantially true. The very fact that the Executive desires to separate itself entirely from the banking institutions of the country, and to restrict their notes from being received in payment of the public dues, notwithstanding they constitute the general circulating medium of the country, proves that the Executive regards the metallic as a much sounder and safer currency than bank paper, although it may possess the essential quality of convertibility into specie. In the proposed scheme, the bank note circulation will be left exclusively to the people; and if it be not so safe or sound as the metallic, then it follows that the currency less sound, and less safe, is confined to the people. Take this fact in connexion with the fact that the major part of the circulation is now, and likely will be, bank paper, and upon the principle of the distinction drawn in the message, the conclusion is irresistible that there will be an exclusive metallic medium for the Government and its officers, and a medium mainly paper for the people. The bill now under consideration, as does the message, draws the distinction, and its consequences must follows. Can this be sound policy? Is not the distinction invidious? Does it not make the Government supreme? whereas the people should be, and are supreme. Sir, in my humble opinion, it strikes at the very foundation of our system; it makes the people subordinate to the Government, whereas the Government is subordinate to the people. I know, sir, this is not designed by the President, but it is the inevitable result of the distinction. Mr. Chairman, there is no sound reason for this distinction, none whatever; the business transactions of the people are infinitely greater and more extended, and therefore of greater interest than that of the Government, and demands the soundest medium for their operation. If, then, the metallic be the only safe and sound medium for the Government, it is necessarily more important for the people; if the paper medium be safe and sound for the people, there is no reason why it is not equally so for the Government; and, instead of the Government disparaging and discrediting the medium necessarily belonging to the people, it should, by the judicious employment of its immense revenues, aid in preserving its safety and soundness, and extending its credit. This Government is charged by the constitution with the regulation, the encouragement, and protection of commerce; it could not more successfully perform that duty than by giving full credit to the general circulating medium of the country, so long as it is worthy. Sir, the conviction that the proposed system contains this unjust, and anomalous, and invidious distinction between the Government and the people, is fast riveted in my mind, and, if true, ought on that account, if no other, to be repudiated.

The sixth objection which I urge to the present system is, that it will greatly aid, if not render indispensably necessary, a national bank. I assume it as a fact, which the experience of the past well justifies, that, unless this nation and the States of this Union shall abandon its commerce, their systems of internal improvement, so flourishing and so rapidly increasing, and their literary institutions, that the banking system in some form will be maintained; they have increased, and will continue to increase, as the wealth, population, manufactures, agriculture, and commerce of the country increases. The President himself expresses the opinion, in his message, that the States will not abandon their systems of banking. The power of the States to incorporate these institutions, and the want of harmony in the exercise of this power, has rendered it difficult, even with the aid of the national revenues, and the advantages of national credit, to preserve a sound medium of circulation, and perform the fiscal and commercial duties which have devolved upon them. If, then, they are farther discredited by the passage of this bill, and their operations reduced to narrower bounds, it is manifest that they will not be able, and will not have sufficient credits, to supply the country with a safe, sound, and ample commercial medium; for without credit, they are totally inefficient. It is admitted, on all hands, that while gold and silver are safe and sound, they are not ample and convenient, hence the country will demand some other medium to keep pace with its rapid improvement, and that will be a national bank medium. In the necessity of the demand all constitutional scruples will be overlooked, and a national institution incorporated. Sir, I shall not, if here, vote for it; but be assured that the overwhelming influence of public discontent will, as in 1816, drive to this resource, and when again established, it will obtain a hold which nothing can break, and will, with all its obnoxious and fatal tendencies, be the permanent policy of the country. This brings me to consider whether the passage of this bill will not discredit the bank paper, and impair its value as a circulating medium. If the course already taken by the Treasury Department towards these institutions, the calling of Congress together on account of the suspension of specie payments, the recommendation of the message to discontinue them as depositories, and the receipt of their notes in payment of the public revenue, if the charge of the Executive that they have been faithless fiscal agents, more so than the Bank of England under like circumstances, and the sanction of these charges by passing the present bill, be not sufficient

to discredit and cripple these institutions, then there is no cause whatever but absolute unqualified bankruptcy that would discredit them. We already see the blighting influence which the withdrawal of the confidence of the Government has exerted upon the banks, and we may well anticipate the fatal effects which a blow from the representatives of the people will produce, all of which will ultimately act upon the people, in the great scarcity of money and reduction in the value of their property.

This is not all, Mr. Chairman; this measure, I fear, if adopted, will exert a still more fatal influence upon the banks than any which I have attempted to predict. I fear it will ultimately, if not immediately, utterly destroy them, and produce a state of ruin and desolation it is appalling to contemplate. The connexion and union between agriculture, manufactures, and commerce is so intimate, that one cannot be affected without, at the same time, affecting the other; whatever cause therefore that impairs the credit of the commercial medium of the country, necessarily inflicts a serious injury upon agriculture and manufactures, particularly agriculture, for that is the foundation of commerce and manufactures. These banks are an essential and necessary part of the commercial community, and whatever embarrasses them, embarrasses the whole commercial community. This idea is very forcibly expressed by Mr. Calhoun, in a speech delivered in 1816 in this House on the bank charter. Speaking of the commercial qualities of the then proposed Bank of the United States, he says: "This bank is no more than a part of the commercial community, in which it is established, and any embarrassment of the bank must press also on the whole community; that community would be the first to give way in such a case, and this would produce a run on the bank, and compel the stoppage of payment." I cannot imagine to myself a more decisive step, in the present embarrassed condition of the country and the banks, than the passage of this bill, to force the banks to continue the stoppage of payments, and finally to wind up their business. If such would be the effect what would be the consequences to the people? I let the President of the United States, when he was Governor of New York, answer. In his annual message to the Legislature of New York, Mr. Van Buren, speaking upon the expediency of renewing the charters of many of the New York banks, which were about to expire, portrayed the ruinous effects which their discontinuance would produce upon the State and the people, expressed himself in these forcible and conclusive terms:

"But we cannot close our eyes to the difficulties and pecuniary embarrassments that must result from suddenly stopping the operations of so many and such long established institutions. Of the thirty millions that are owing to them the principal part is probably due from merchants, manufacturers, and other large dealers in their vicinity; but they in turn have their demands against persons pursuing similar business in the country, and those again must look to their customers, thus embracing all classes of society, in the liability to contribute towards a general settlement. The amount due from the banks, especially all that portion which consists in bills issued by them, would be found scattered through the whole community. From even this superficial view of the subject, it must be evident to all reflecting minds, that the pecuniary convulsion that must result from a compulsory close of these extensive concerns, would be neither slight in its degree, nor transient in its duration. You will, I am convinced, concur with me in the sentiment, that a responsibility of so serious a character and so fearful in its possible consequences should not be incurred on slight grounds, or from motives of expediency in the least degree questionable."

Mr. Calhoun in a speech in the Senate, in 1834, speaking upon the subject of the banks and the effects of their sudden suppression, thus expresses himself: "To suppress them (the banks) at once would, if it were possible, work a greater revolution, a greater change in the relative condition of the various classes of the community, than would the conquest of the country by a savage enemy." This sentiment is true, inevitably true, and by it I propose to test the effects which the destruction of the banks would at this time produce upon the people. In 1834, the people were indebted to the banks $324,000,000; in 1837, $591,000,000; if, then, the suppression of the banks in 1834 would have produced such distressing effects, what would it do now? Ruin the whole community. When the banks are pressed, they press in turn the whole community, and that presses the people who are the victims, for they have no debtors to resort to, they must resort to their property. Again: If the Government demands specie in payment of the public revenue, the merchants must in turn demand specie of their debtors, the people, which, if they cannot procure, will lead to the most destructive sacrifices in the sales of their property. No creditor is bound to receive any thing but specie, and this system will afford a pretext for such a demand; for the creditor may well refuse to receive discredited, depreciated bank paper, and therefore cause immense sacrifices of property.

Mr. Chairman, the bank circulation is already reduced from about 160 to 100 millions of dollars, as is also the active specie circulation greatly reduced. The present circulation is founded upon an adequate specie basis, and cannot, with due regard to the interest of the people, be further reduced. This system will render a further reduction inevitable, and produce a corresponding inability on the part of the people to pay debts, and a fearful depreciation in the value of property, and in this point of view will operate most injuriously upon the debtor class of the community.

The eighth objection which I have to the proposed system is, that it will greatly enlarge the Executive patronage, and fearfully increase its power. Upon this point, Mr. Chairman, I am brought into direct collision with the opinion of the President, who seems to be of the opinion that this measure will not only not increase but actually diminish Executive patronage. I am not satisfied with the reasoning of the message, and find nothing in it, although ably urged, to change the opinion which I took up in 1834, as to the effect of such a measure. The Secretary of the Treasury seems to think that the appointment of ten additional officers, and an increased expenditure of about $60,000, will enable that department to conduct this system with success In this opinion, Mr. Chairman, I differ widely with the Secretary, although I do not doubt his sincerity. All propositions for the creation of new systems are accompanied with the most rigid regard to economy, but after their organization their wants gradually develop themselves, till finally, by legislation after legislation, the officers and the expenses are fearfully increased. All the departments of the Government had small and economical beginnings, yet in the progress of time the number of their officers and the amount of their salaries, and other expenses, have greatly increased. Such will be the course of this system. This will be but the germ, and your ten additional officers and $60,000 additional expense, will swell into hundreds of officers, and hundreds of thousands of increased expenditure. To tell me that all the increase of clerks, house rent, stationery, and other incidental expenses which this system will require, can be met with $60,000, is to tax my credulity with the belief of an utter impossibility. Sir, the Secretary of the Treasury will find himself utterly mistaken in his estimate, if by the passage of this bill he shall be authorized to put this system into practice. In considering this question it should be borne in mind that our country is rapidly increasing in population, wealth, power, and commerce, and that necessarily as these progress, increased duties on the part of the Government in all its de-

partments will be unquestionable, and on no department of the Government will these increased duties devolve so materially as on the Treasury Department. Hence, sir, I look to the adoption of this system as laying the foundation of an immense increase of the patronage of the Executive in the appointing and disbursing power. Mr. Chairman, the patronage of the Executive is the most dangerous of all its powers, and the most likely to end in the overthrow of the liberties of the country; by the exercise of this power, the Executive ramifies in every section of this widely extended empire, its officers indebted to the Executive for their appointment, and holding them at its will. When we consider their number, the influence which they exercise, and the positions which they occupy, we cannot but feel sensibly alive to the mischiefs which they may produce. Their number already exceeds one hundred thousand, and is constantly increasing—add to this immense array of public officers, ramified into every section of the country, the amount of money which is annually disbursed by the Executive, and we may form some idea of the already fearful power of the Executive patronage. But, sir, pass this bill, and this power becomes tenfold stronger and more dangerous. Now the Executive has not the actual but the legal custody only of the public purse; barriers hitherto safe have been interposed. This bill not only places the public revenues in the legal but the actual custody of the Executive; it removes all barriers, all restrictions; it places the custody of the public purse in the hands of those who will hold their places at the will of the President, who has the power to remove at pleasure. Sir, will an American Congress place this fearful power in the hands of the Executive? Will they place in the hands of the President, already having the power of the "sword," the power of the "purse" also? For this bill completely invests him with the power of the "purse." He will hold it in actual keeping. Will they commit their liberties to the keeping of any man? Will they trust such immense and such fearful means of mischief in the hands of any Executive Magistrate?

Mr. Chairman, I shall make no professions of unbounded confidence in any man. I will not say that I have more, or that I have less confidence in Mr. Van Buren than in other men; but, sir, this is a power which I would not have committed to George Washington himself, or any man that ever lived or now lives. Sir, I will not commit my liberty to the keeping of any man. I fear all. If the people intend to preserve their liberties, they should not commit them to the keeping of any man; but keep them under their own immediate care and protection. A wise man said, "eternal watchfulness is the price which the people pay for liberty." Sir, I warn them to watch, and that incessantly: if they do not, fearful will be the consequences. Mr. Chairman, the patronage of the Executive is already sufficiently large for the safety of our free institutions, and I am not willing to enlarge it. While on this part of the subject, I cannot refrain from recurring to the fact, that when General Jackson's protest to the resolution of the Senate, charging him with a violation of the constitution and the law, in the removal of the public deposites from the Bank of the United States, was construed into a claim for the Executive of the actual custody of the public money, he immediately and indignantly repelled it in a short explanatory message. This bill gives that very custody which General Jackson indignantly repelled, as desired by him. Mr. Chairman, I trust I shall be excused for recurring to my own State, for I assure the House I do not mean it as in the slightest degree invidious. But, sir, Virginia has always been jealous of the exercise of the powers of this Government, and of the increase of Executive power. From time to time, she has raised her voice against it. Even while this constitution was under discussion in her convention, many of her patriotic and distinguished sons resisted its adoption from jealousy of the overwhelming power and influence which it would impart to this Government, and the Executive branch of it. Henry, with the thunders of his eloquence, denounced the constitution as tending to absorb all power into this central Government. Pass this bill, and you take the most important step towards the fulfilment of his predictions. You at once, to use his language, arm the Government with the power of the "sword and the purse;" which, I fear, will ultimately prove too strong for the liberties of the people. What might an ambitious aspirant for despotic, uncontrolled, and unlimited power, not do with such means in his hands? Sir, if he wants money, he has only to demand it at the hands of its keepers. If they refuse, he has nothing to do but to exercise his constitutional power of removal, and then every obstacle is withdrawn. And what security have we, that, in the course of time, some such man may not, in the hour of popular infatuation and delusion, be elevated to the Executive chair? None, sir; for history affords the important lesson, that every tyrant, who has ever overthrown the liberties of his country, has done it under the hollow professions of the good of the people, and have often made the people the deluded victims of their own destruction. It is enough for me to see this bill places in the hands of the Executive, powers which may be easily perverted to the most dangerous purposes, to oppose it; although those who propose and those who advocate it, may not have, and I am sure entertain no such design. But, sir, one of the panaceas held out for the dangers which I have adverted to, is the reduction of the expenditures of the Government to its actual economical wants. Sir, this measure has been often read to this body; yet, as often as it has been read, the expenditures of the Government have as often departed from the true principle of economy. From some cause or other our expenditures constantly increase. For these extravagances in expenditures, I do not hold the Executive responsible. I hold Congress responsible. It has almost uniformly appropriated largely beyond the Executive recommendations. Upon the subject of appropriations, a large number of the friends of the late administration voted for appropriations at war with its opinions; but whether sanctioned by the Executive or not, these appropriations have been, and will, I fear, continue to be made; and the expenditure, of course, placed in the hands of the Executive, so that the effect is the same, as far as the question of patronage is concerned.

Mr. Chairman, I conclude this part of my argument by referring to the following extract from General Jackson's message of December, 1835, in which he says:

"In the regulations which Congress may prescribe respecting the custody of the public money, it is desirable that as little discretion as may be deemed consistent with their safe-keeping, should be given to Executive agents. No one can be more deeply impressed than I am with the soundness of the doctrine which restrains and limits, by specific provisions, Executive discretion, as far as it can be done consistently with the preservation of its constitutional character. In respect to the control over the public money, this doctrine is peculiarly applicable."

In every word and every sentiment of which I most heartily concur, and shall give earnest of my concurrence by voting against this scheme, which is directly at war with it.

But, Mr. Chairman, in the message of the President, and the report of the Secretary of the Treasury, the dangerous political influence which a connexion between the Government and the banks may exert upon the integrity and liberties of the country, is urged as a reason for discontinuing the connexion which has existed from the foundation of the Government to the present hour. Sir, I am not only surprised at this reason, but the source from which it comes; for, sir, practice disproves the danger, and it is

directly at war with the opinions of the late administration, and those previously expressed by these high public officers. This argument is directly at war with the argument of General Jackson's message of December, 1834, upon this subject, in which he says:

"The attention of Congress is earnestly invited to the regulation of the deposites in the State banks by law. Although the power now exercised by the Executive department in this behalf, is only such as was uniformly exerted through every administration, from the origin of the Government up to the establishment of the present bank, yet it is one which is susceptible of regulation by law, and, therefore, ought so to be regulated. The power of Congress to direct in what places the Treasurer shall keep the moneys in the Treasury, and to impose restrictions upon the Executive authority, in relation to their custody and removal, is unlimited; and its exercise will rather be courted than discouraged by those public officers and agents on whom rests the responsibility for their safety. It is desirable that as little power as possible should be left to the President or Secretary of the Treasury over those institutions; which, being thus freed from Executive influence, and without a common head to direct their operations, would have neither the temptation nor the ability to interfere in the political conflicts of the country. Not deriving their charters from the national authorities, they would never have those inducements to meddle in general elections which have led the Bank of the United States to agitate and convulse the country for upwards of two years."

Also, his message of December, 1835, in which he says:

"By the use of the State banks, which do not derive their charters from the General Government, and are not controlled by its authority, it is ascertained that the moneys of the United States can be collected and disbursed without loss or inconvenience; and that all the wants of the community, in relation to exchange and currency, are supplied as well as they ever have been before."

These sentiments were concurred in by the late Secretary of the Treasury, (Mr. Taney,) by the Committee of Ways and Means, of 1834, in their able reports, and by the present Secretary of the Treasury. I would now inquire what new developments have transpired to change these decided and unequivocal opinions? What political intrigue has the banks been engaged in? What elections have they interfered with? What political influence have they attempted to exercise? and when? and has it been since the last session of Congress? I know of none, and I have heard of none. If the opinion is merely speculative, then experience leads to an opposite conclusion. Mr. Chairman, let us simply refer to facts, and draw from them the most rational and direct conclusions; and every man must be convinced that this reason is not sufficient to justify a resort to the system now under consideration. The officers of the banks hold their places at the hands of the directory; the directory, of the stockholders; and the stockholders, at the hands of the State Governments. The bank officers, directors, and stockholders, none of them hold their place at the discretion of the Federal Executive. The only influence, then, which the Executive can exercise over these institutions, will arise out of the profit which may be derived from the use of the public money which may from time to time be deposited in their vaults. This profit, with but one or two exceptions, will not be sufficient benefit to the banks to hazard the displeasure of the State Governments—always overlooking their operations—and to draw them into any of the corrupt purposes of this Government. Under the system proposed, the tenure of all the officers holding the public money will be at the discretion of the President, without any counteracting influence whatever. Let any man, then, judge where there is most danger of Executive influence—with the banks or the Executive officers. The response is not doubtful.

The next objection which occurs to my mind is, that the system proposed will exert a hostile influence upon State institutions, and be subversive of State rights. Mr. Chairman, no member has intimated the idea that, for a long period of time of war, the country can divest itself of a paper circulation; if the soundness of the circulation is preserved there must be some harmony of action. The natural war which paper wages against specie, and specie against paper, must be avoided. This bill, which strikes at the credit of the banks, by excluding their notes from payment of public dues, and thereby necessarily narrows the boundary of their circulation, and lessens their profits, will necessarily produce a counteracting policy on the part of the banks; that policy will be the resort to small note issues, for in this way alone can they drive specie out of circulation to enlarge their own, and thus add to the embarrassment of the country. But, Mr. Chairman, this is not the most serious objection to this bill. It will engender jealousy and hostility on the part of the States towards the Federal Government—a state of things greatly to be deprecated, and pregnant with great evils to our institutions. Mr. Chairman, do you think that the States will be passive under the operation of a system which is so blighting to institutions created, nourished, and matured by them, and to which they are so much indebted for their present flourishing condition, and their rapid march in science, wealth, internal improvements, and general prosperity? Will they see these means of their future prosperity sapped and destroyed? I think not. Pass this bill, and then arm this Government with the power of a bankrupt law, in relation to these banks, by which a board of commissioners, appointed by federal authority, may discontinue any of these institutions, and you at once place them at the mercy of this Government. This, sir, I cannot consent to do.

Mr. Chairman, every State in the Union, I do not doubt, has some interest in the preservation of the credit of its banks. The State of Virginia has invested in stock, in her various banks, one million six hundred and seventy-two thousand dollars. They are the depositories of her internal improvement fund, and her fund for the education of the poor. Think you, Mr. Chairman, she will stand quietly by and see those banks discredited and impaired, to the hazard of these immense funds, and their successful employment, and surrender her systems of improvement and education? I think not. How gentlemen have arrived at the conclusion that the people generally are opposed to the banking institutions of the country, I am at a loss to discern. These institutions were all chartered by the representatives of the people in their respective State Legislatures—representatives who are annually elected, and whose conduct is strictly scrutinized. How many have been repudiated by the people for incorporating banks? Few, very few. How many would obtain re-election after voting for their destruction? Not one, I dare believe. This fact alone, sir, conclusively proves that the people sustain these institutions, however much they may be disposed to correct, and no doubt will correct, abuses. Mr. Chairman, there is another aspect in which I view this subject as highly important, and which I am bound to consider. Sir, none of us can so far look into the vista of time as to see what even to-morrow may bring forth; although every feeling of our hearts may linger around this Union with the deepest filial regard and solicitude, yet, on the tide of time, and amidst the storms of events, it may be shivered into atoms. It is prudent, at all times, to be prepared for events which we most ardently deprecate, but which may, by possibility, occur. To meet any contingency, then, which coming events may produce, should not the States strengthen their internal resources, improve their strength, and cherish those institutions which might, in coming events, be indispensable to their safety? The States, entertaining these views, will not be disposed to sub-

mit to any system which may impair their strength and dry up their resources. Mr. Chairman, when in the progress of our history, I saw this Government claiming the constitutional power to charter a national bank, to construct a system of internal improvements within the jurisdiction of the States, and the power of taxing the country for the protection of domestic manufactures, my fears that all the powers of Government would be concentrated into this great central power, were greatly aroused. But, Mr. Chairman, when the Government not only seeks to disconnect itself from these banks, and then, in the form of a bankrupt law, holds over them a power, which, in its exercise, may destroy every one of them, my jealousy is increased. Now, Mr. Chairman, I deny to this Government the power in this way to interfere with institutions chartered by the States, having the clear and decided constitutional authority to do so. Sir, can it be that this Government is invested with power to impair, or in any way embarrass, the operations of the clear constitutional powers reserved to the States? If it has, where is the limitation? What institution may it not reach? What power may not be impaired? These views, Mr. Chairman, have brought my mind to the conclusion, which many of the distinguished friends of the administration formerly entertained, that this war upon the State banks is a war upon State rights. I speak of it as the tendency, not as the design of this proposition.

Mr. Chairman, the Committee of Ways and Means have referred us to the examples of France and England as worthy of imitation in the receipts, safe-keeping, and disbursements of their revenues, and, to enlighten us upon this subject, have had a view of their systems printed and laid upon our desks. Sir, their systems are essentially ours; for in their whole fiscal operations the banks are the principal agents. But, sir, I shall not look to the monarchies and despotisms of Europe for examples in so regulating the fiscal agency of this Government as to secure the liberties of the people and our free institutions. Sir, the actual custody of the public money in Europe by the Governments, is accompanied with the employment of immense standing armies, who suppress and keep down liberal sentiments, and keep unbroken the fetters with which the oppressed people are bound down. Sir, it was left for republican America, for a free people, to devise a plan by which the public purse can be so kept as to be accessible to the Executive for all legal disbursements, and yet so withheld from its actual custody as to place it beyond the power of abuse. Such has been the effect of the system heretofore—such, I fear, will not be the effect of the proposed system if adopted.

I have thus, Mr. Speaker, presented my objections openly and fearlessly, and upon my responsibility to my constituents. I may be mistaken, and time may expose the error; yet, sir, until the fallacy of these objections are made manifest, I must respectfully, to all with whom I differ, but firmly and decidedly, oppose the plan recommended by the Executive.

Having thus, Mr. Chairman, attempted to prove the safety and capacity of the State banks as fiscal and commercial agents, shown their present solvency, vindicated the propriety and necessity of their course in suspending specie payments, and urged my objections to the sub-Treasury scheme, I will now offer to the committee a few brief remarks in support of the proposition which, by the kind indulgence of the House, I have had the honor of laying before it.

The scheme which I have presented is substantially the "currency bill" which passed both Houses of Congress at the late session of Congress, and which was retained by the late President under the apprehension that its construction might require the intervention of the judiciary, on account of some supposed ambiguity in its language. The substantial features of this bill requires the notes of all specie paying banks to be received in payment of the public revenues, whether derived from foreign importations, public lands, or any other source, and restricts any distinction between different branches of the revenue, and for the purpose of enlarging the specie circulation of the country, by such a gradual process as to prevent any shock in the business and commerce of the country. It provides that the notes of no specie paying banks shall be received which shall not immediately discontinue the issue and circulation of all notes under five dollars, and at given periods thereafter, all notes under ten and twenty dollars. It also provides for the continuance of such of the present deposite banks as are sound and in good credit, as depositories of the public money, upon the condition of affording such collateral security as the Secretary of the Treasury, in the exercise of a sound discretion, may prescribe. This bill only presents the general features of a scheme which may be matured by amendments adapted to the present embarrassed and emergent condition of the country.

This bill also proposes a restriction of the number of State banks to be continued as depositories of the public money within such bounds as to make it their interest to adopt the measures of reform in the currency which experience has proved to be necessary for its extension, its credit, and its soundness. This number will be in the discretion of Congress. This plan had the countenance, and was recommended by the late administration, as well as by the present Secretary of the Treasury. It was earnestly and repeatedly urged, and many of the States have adapted their legislation to its principles, and that there is now no just cause for its abandonment; nor has the present state of things stripped it of any of its advantages or benefits. I think I have satisfactorily proved, unless it be necessary to the correctness of the system, that banking institutions should be infallible, and conducted by infallible men, which is unattainable.

In presenting this scheme, I have done it under the impression which seems generally to prevail, that the banking institutions of the country would not be abandoned, and that their notes, under those modifications and restrictions which experience might from time to time prove to be necessary, would constitute a material part of the currency of the country. If this impression be true, and notes of banks shall continue to constitute a material part of the currency of the country, I regard it as strictly proper, and indeed necessary, that the Federal Government should so regulate its actions in reference to the currency, which the States, in the exercise of their sovereign rights, have thrown into circulation, as to give to it as much credit and soundness as possible, because by such a course the intercourse between the States will be more regular, more uniform, more harmonious, more convenient, and more cordial. But it is said by some that Congress has no constitutional power to legitimatize bank notes so far as to compel the Government to receive them. Sir, this notion is of modern origin, and is opposed to the principles upon which this Government has acted from almost its foundation. It is true this Government has no power to emit paper money; it can make nothing but metal "money," for that is the standard of value of the world. But there is a material distinction between coining money and receiving public dues. I do not see any constitutional restriction upon the Government in receiving a promise to pay in a bank note, or in a merchant's bond. I do not doubt the power of the Government to receive its dues in any thing it may deem most expedient, and such has been its constant and undeviating practice.

The bill which I have submitted proposes, also, to enlarge the specie circulation of the country, by gradually retiring the notes of smaller denomination, and introducing in their stead a metallic circulation. This, sir, I propose, step by step, to do, until the metallic circulation shall be

so enlarged as to confine the material paper circulation to their legitimate sphere—commercial transactions; and, until the metallic basis shall assume such a relation to the paper circulation as to secure, without difficulty, the convertibility of the paper into specie. It is an admitted principle that notes and coin of the same denomination will not circulate together. The superior value of the coin makes it a subject of commerce, and it always seeks distant employment, when there is a local and less valuable currency to supply its local circulation. The plan which I propose seeks to prevent this effect by restricting the circulation of notes to an amount above the denomination of any coin in circulation, so as to that amount to render coin indispensable; and if, by the operation of this plan, it shall be found expedient still further to restrict bank notes, it can be done by the aid of that experience which the progress of the plan will unfold, which will be a sure guide to truth. In the discussion of this subject, I shall not find it necessary to do much more than refer to the experience of two of the most commercial nations of the world, Great Britain and France, and the opinions of some of the most distinguished statesmen and financiers of Great Britain and the United States. The Bank of England, in 1793, became seriously and alarmingly embarrassed, on account of the immense reduction of her bullion, and the heavy demands of depositors, the result of which was a suspension of specie payments; up to this time, the bank was not authorized to issue notes of less denomination than five pounds, to prevent driving from circulation coin of small denominations. The suspension was legalized by act of Parliament, and the bank, to supply the vacuum created by the withdrawal from circulation of small coin, which had been exported to the continent, was authorized to issue notes of £1 and £2 denominations. These notes were issued to a large amount, and circulated to a great extent; the result was, what always will be, the expulsion from circulation of nearly all coins of the same denominations. Such were the effects of this act in enlarging the issues of the paper medium of England, and expelling its bullion, that, after many efforts, in 1826, this law was repealed, and the bank required, in 1829, to restrict its paper to the issue of £5 notes and over. The effect of this repeal has been so to enlarge the specie as to secure the convertibility of the paper circulation. The Bank of France is prohibited from issuing notes below five hundred francs—about $93 of our money. This bank was chartered in 1800, and the restriction imposed in 1804. From that time to the present, notwithstanding the calamities of war, two invasions, and several commercial revulsions, the currency of France has remained sound and uniform, and the paper of the bank in good credit. Austria and Russia, who are making vigorous exertions to enlarge their commerce, have adopted the Bank of France as a model for their imitation, and have incorporated banks upon the same principle. It would seem to me that, with such examples before us, there could be little doubt of the correctness of the principle of the bill which I propose. But, sir, I will add to this evidence, by citing the opinions of some of the most distinguished statesmen and financiers of Great Britain, who were witnesses of the operation of the bank restriction in England, and its injurious effects upon the currency of the country. The celebrated Edmund Burke, among the last letters which he ever wrote, in one addressed to Mr. Canning, upon the subject of the issuing of small notes, said: "Tell Mr. Pitt that if he consents to the issue of one-pound notes, he will never see a guinea again." This prophecy was well nigh being fulfilled, and was probably only prevented from fulfilment by the repeal of the restriction. Mr. Huskisson, one of the purest and one of the ablest of statesmen, and one of the most skilful financiers of this or any other age, in a speech delivered in Parliament on the 15th day of February, 1822, upon the agricultural distresses of Great Britain, said:

"In England it still formed a considerable part of our circulation, there being then no circulating paper under five, and only to a small extent under ten pounds. The first effect of this restriction was, to add to the paper circulation by enlarged issues, not only from the national banks of England and Ireland, but also from all the country banks. This addition continued gradually to increase, and especially in the notes under five pounds. Every increase for the first two or three years was a diminution in the value of money, but not a depreciation. Why? Because the gold left the country as the paper became its substitute, and, by this process, the exchanges were kept at or near par. The effect of this exportation of our coin was everywhere to lower the value of money, and, by so doing, to keep it upon a level with its diminished value in this country.

"In the progress of this operation, the United Kingdom was drained of all its gold. There would, however, have been no real depreciation of the paper substituted in its stead, if, by imposing proper limits upon the issues of that paper, the par of exchange with foreign countries (which is necessarily equivalent with the standard of the gold coin in this country) had been made the criterion of its value. But the issues of paper not being confined within those limits, depreciation took place.

"The consequence, therefore, of the bank restriction was twofold: first, a diminution in the value of money generally, but without depreciation; and, secondly, a depreciation specially superadded in this country, the degree of which, at any particular period, was the difference between the standard and the market price of gold. By the first result, the price of commodities, including of course all the raw productions of the soil, was raised generally. By the second, this general rise of prices was carried still further in this country, in proportion to the depreciation. The actual depreciation, therefore, as it was not the sole cause of the rise of prices (speaking now of that rise only in as far as it was influenced by changes in the value of money) during the war, so it cannot be taken as the measure of the fall of prices since 1819, unless we could have got rid of the depreciation without recalling into our own use a part of the gold which had been exported, or in any degree diminishing the extent in which credit had become a substitute for actual payments. That fall must be still greater, if, instead of importing gold for circulation here, the greatest part of it has been withdrawn from circulation in other countries, to be buried in the vaults and cellars of the bank. The proportion of the rise of prices generally during the war, and of fall since the peace, not in England only, but in all other countries, from these alternate operations, may be difficult to estimate; but it must be considerable: and the more so, as other countries, as well as England, had also a depreciated paper, and have since endeavored to replace it by a metallic currency."

In a speech delivered by him on the 10th day of February, on the bank charter bill, he said:

"If they wished for a proof of the value of a steady unchangeable currency, they had it in the example of France. That country had been twice invaded; twice had her capital been taken possession of; and she had been compelled, in 1816 and 1817, to pay large sums to foreign countries for corn. But she had a steady metallic currency; and however such visitations might have affected the great—however the extensive contractor might have been injured or ruined—the great body of the population remained unmolested. The storm which uprooted the forest tree had passed over without injuring the humble reed; and this was mainly to be attributed to the permanent footing upon which the currency of the country had been placed.

"If the plan of his right honorable friend was carried into execution, he was satisfied it would have the effect of making the country banker as sensitive on the subject of

the exchanges, and as watchful of any unfavorable turn which might take place in them, as the Bank of England now was. He would carefully watch the circumstances which were calculated to bring gold into, or send it out of, the country; and this caution being timely impressed upon him, the danger would, in a measure, be passed. There would then be no fear of any agitation or convulsion in the country, as the interest of every banker would compel him to provide himself for any coming emergency; in other words, every country banker would feel an equal interest with the Bank of England in watching the state of the currency, and guarding against its fluctuations.

"If, then, it was necessary, for the best interests of the country, that the currency should be established on a sound and solid foundation, and that the country banks should be prevented from drawing the metallic currency out of the kingdom, by the issue of these small notes, the next question was, whether this was a proper time for carrying the measure into execution? But before he touched upon this, perhaps it would be proper that he should make one preliminary observation respecting the country banks. He was far from being hostile to these banks. On the contrary, he thought they would be of great service to the country, provided they were placed under proper regulations. He wished to save these banks themselves from the consequences of their own proceedings—from the liability of each to be ruined by the failure of the others. But, to effect this, they must be prevented from issuing paper as low as the highest denomination of the metallic currency of the country. They must not be permitted to issue their one-pound notes—corresponding with the sovereign—the highest denomination of metallic currency. To give them the privilege of making such issues was, in fact, to permit them to assume the powers of the prerogative. Let them continue to issue paper, and to extend and act upon their credit; but let them not issue their small notes, and thereby trench upon the prerogative."

In the same debates these opinions were concurred in by many other distinguished men, and finally prevailed. This bill, as I before remarked, is in strict accordance with the recommendations of the late President, Mr. Taney, Mr. Woodbury, the Committee of Ways and Means of 1834 before referred to, and in fact was the leading policy of the late administration. To prove this, and supply arguments of more force and weight than I am capable of urging, I quote from General Jackson's message of 1834. Speaking upon this subject, he says:

"Those institutions (the State banks) have already shown themselves competent to purchase and furnish domestic exchange for the convenience of trade at reasonable rates, and not a doubt is entertained that in a short period all the wants of the country, in bank accommodations and exchange, will be supplied as promptly and cheaply as they have heretofore been by the Bank of the United States. If the several States shall be induced gradually to reform their banking systems, and prohibit the issue of all small notes, we shall, in a few years, have a currency as sound, and as little liable to fluctuations, as any other commercial country."

In his annual message of December, 1835, General Jackson said:

"It is also ascertained that, instead of being necessarily made to promote the evils of an unchecked paper system, the management of the revenue can be made auxiliary to the reform which the Legislatures of several of the States have already commenced in regard to the suppression of small bills; and which has only to be fostered by proper regulations on the part of Congress, to secure a practical return, to the extent required, for the security of the currency, to the constitutional medium. Severed from the Government as political engines, and not susceptible of dangerous extension and combination, the State banks will not be tempted, nor will they have the power which we have seen exercised, to divert the public funds from the legitimate purposes of the Government. The collection and custody of the revenue being, on the contrary, a source of credit to them, will increase the security which the States provide for a faithful execution of their trusts, by multiplying the scrutinies to which their operations and accounts will be subjected. Thus disposed, as well from interest as the obligations of their charters, it cannot be doubted that such conditions as Congress may see fit to adopt respecting the deposites in these institutions, with a view to the gradual disuse of the small bills, will be cheerfully complied with; and that we shall soon gain, in place of the Bank of the United States, a practical reform in the whole paper system of the country. If, by this policy, we can ultimately witness the suppression of all bank bills below twenty dollars, it is apparent that gold and silver will take their place, and become the principal circulating medium in the common business of the farmers and mechanics of the country. The attainment of such a result will form an era in the history of our country which will be dwelt upon with delight by every true friend of its liberty and independence. It will lighten the great tax which our paper system has so long collected from the earnings of labor, and do more to revive and perpetuate those habits of economy and simplicity which are so congenial to the character of republicans, than all the legislation which has yet been attempted."

This plan will so imperceptibly retrieve the paper and introduce the metallic circulation as to produce not the slightest shock or embarrassment in the commerce and business of the country, or reduction in the value of property. Property, the value of which has been regulated by the present currency, will retain its existing standard, and the country gradually recover from its depressed and ruinous condition.

It may be argued that the full excess of paper circulation will be kept up by the enlarged issues of notes of the larger denomination. This cannot be so. The commerce and business of the country can only bear a fixed amount of circulation—all excesses must and will be reduced—a fixed amount of money can only be necessary to the commerce and business of the country. Of that fixed amount, as specie is enlarged so must paper be reduced, and as specie is reduced so must paper be enlarged, as the plan which I propose requires a mixed circulation of metal and paper; I propose to reach such a proportion of the metallic, as will make certain the convertibility of paper into specie, which will always secure a sound currency. These are the objects which I have in view, and I confidently believe the scheme which I have offered will effect it.

Mr. Chairman, this bill I firmly believe, with the aid of some provisions which may be attached to it, adapted to the present emergency, is well calculated speedily to remove the embarrassments of the country. Sir, as I have argued, confidence is all that is necessary to enable the banks in a short time to resume specie payments; this bill extends that confidence, holds out to them a strong inducement to resume, and promises a restoration of their fiscal agency on that resumption. This, sir, is better than all your penalties and all your divorces.

Mr. Chairman, I well know that to effect the objects of reform which all desire, the aid of the State governments must be invoked. This aid I do not doubt will be afforded, not only from considerations of patriotism, but of interest; for every State is deeply and importantly interested in securing a sound currency; both as relates to their own domestic concerns, and their commercial connexion with the other States. They cannot flourish—they cannot prosper without it, and this is a guarantee that as the errors in their systems develop themselves they will correct them. Sir, I do not doubt that they will perform their duty to themselves and to the nation.

Mr. Chairman, I have heard much play and much emphasis upon the term *divorce of bank and State*. It is calculated to call up those feelings of abhorrence against the union of church and State, out of which so much mischief to the lives and liberties of mankind has grown, which the people of the United States so justly entertain. Sir, are not these institutions the very creation of Government? Did not Government impart to them form, substance, and action? And now we are to divorce the Government from them! I know, sir, that these institutions were created by the State Governments; yet, sir, unless all their powers are buried in the powers of this Government, they were created by Governments having the power to do so. This political connexion, so much desecrated and abhorred in these latter days, is as dangerous to the State Governments as to this; yet the States do not find it necessary to destroy their banking institutions, and I am sure will defend them against the reckless war now waged against them. Sir, this term divorce will not take—you had as well talk of a divorce between man and wife, while they are indisposed to it.

One word more in relation to the suspension of specie payments by the banks, to show the propriety and wisdom of the measure. When the suspension took place, it was supposed by many, perhaps by most persons, that upon its being known in England, there would be an immediate prostration of the commercial credit of the United States, and, as a consequence, the destruction of the houses in England, commonly known by the name of the American houses. But no such thing happened. Confidence was not diminished, but improved. They saw the thing at once in its true light—they saw it was a measure of relief to the merchants of the United States, which would give them time to gather in their resources, and finally make good their payments in England: whereas, if the severe pressure necessary to continue the payment of specie by the banks, had been kept on, they must have been ruined and through them the people who were in debt. This was a sound view of the subject. In addition to this, the States continue to use them as depositories, and to receive their notes in payment of their taxes. Why, then, should there be so much alarm here?

Mr. Chairman, I admit that there are serious evils connected with our banking system. I admit that there are crying and grievous abuses, which require to be corrected; and I will go as far as any man in applying the knife and cutting these abuses off. Nor, sir, am I disposed, in the slightest degree, to countenance the refusal of the banks to resume specie payments in a reasonable length of time. While the country may be disposed to endure this state of things as long as it is necessary and proper, it will not, it ought not, to bear a wanton and unnecessary delay. The foreign debt is rapidly extinguishing; the elastic energy of the country is rapidly increasing, and overcoming all embarrassments; soon, very soon, all pretext will be removed for continuing the suspension, and the banks will merit the stern and withering rebuke of every patriot, if they persist in their refusal. Sir, my course upon the present occasion is not dictated by any interest which I take for the banks, separated and apart from the people: I only look to their interest and their security, as connected with that of the people, so deeply involved with them. I consider the interest and welfare of the people as deeply and materially concerned, and their prosperity endangered.

I have thus, Mr. Chairman, presented to the committee my views of this deep, this vital, this interesting question to this nation. I have exhibited the opinions entertained by the late administration, and the prominent friends of the present; and, having done so, confidently and fearlessly appeal to the American people, to determine whether I deserve to be stigmatized as a traitor, or shot as a deserter. Sir, if an adherence to the opinions heretofore entertained by the friends of the administration, notwithstanding they have abandoned them, is desertion, I am guilty, and I will meet the fate which awaits me without murmur. My opinions are unchanged, and no fear of personal consequences shall change them. My constituents are unchanged, so far as I have learned; at any event, they have not instructed me to vote contrary to my former opinions, and until they do I will vote against your sub-Treasury scheme in spite of denunciation, or any other consequence which may follow. I regard that scheme as containing the elements of destruction to the purity of the Government, the rights of the States, and the liberties of the people. Sir, so obnoxious is it to me, that although their is no constitutional objection in the way, I would infinitely prefer resigning my seat here, to voting for it. I do not call into question the sincerity of gentlemen who have changed: but I protest, that because I cannot change also, I should be denounced.

Mr. Chairman, if I am to be tried on a charge of desertion, the administration shall not judge me: its friends on this floor shall not judge me. I will be tried by my constituents alone: they know what opinions they sent me here to sustain: they know which I have deserted and which I have maintained. I will meet them and let them pronounce the judgment; and if that judgment shall be guilty, they alone shall be my executioners. To them, by their confidence, I came here—by their command I am ready to retire. To them and their justice I commit myself. I will say to them, that,

> Bound by no party's arbitrary sway
> I'll follow truth where'er it leads the way.

APPENDIX.

Comparative statement of the condition of the Farmer's Bank of Virginia and branches, on the 1st and 8th days of June, 1837, *and on the 1st day of September,* 1837.

Bills discounted at—	1st June.	1st September.
Richmond - -	$2,540,804	$2,260,796
Norfolk - - -	848,705	767,091
Petersburg - -	602,299	526,576
Fredericksburg - -	497,865	536,318
Lynchburg - -	526,877	588,122
Winchester - -	419,999	408,502
Danville - - -	402,214	290,029
	$5,849,763	$5,477,283

Showing an aggregate decrease of $372,380, in the outstanding bills discounted between the 1st day of June and the 1st day of September, 1837.

The specie on hand, on the 1st September, 1837, was - - - -	$425,234
On the 8th day of June, it was - -	412,672
Showing an increase of specie of -	12,562
The notes of other banks on hand, on 1st September, 1837, was - - -	218,841
On the 8th of June, 1837, they amounted to	127,842
Showing an increase of - -	90,999
The aggregate balances due by the other banks, was, on the 1st September -	45,074
On the 8th June, they amounted to - -	20,267
Showing an increase of - -	24,807

The notes in circulation, on 1st September, 1837, were - - - -		2,196,604
The deposite money, at the same time was:		
Individuals - - - -		900,833
Treasurer of the United States - -		118,173
		$3,215,610
The liabilities, on 8th June, 1837, were:		
Notes in circulation -	$1,963,942	
Individual deposites -	1,500,076	
Treasurer of the United States	297,047	
		3,761,065
Showing a diminished liability equal to		$545,455
The contingent fund, to cover losses, was, on 1st September - - -		369,771
It was, on 8th June - - -		277,412
Increase - - - -		$92,369
The whole bad and doubtful debts, on 1st September, 1837, were estimated as follows:		
At Richmond - - - -		59,398
Norfolk - - - -		226,036
Petersburg - - - -		6,100
Lynchburg - - - -		0,000
Fredericksburg - - -		3,950
Winchester - - - -		17,526
Danville - - - -		1,000
In all - - - -		324,010
While the contingent fund is, as above stated		$369,771

From the foregoing, the following statement may be made, showing the increased active means, and the diminished liabilities of the bank, viz:

Increase of specie - - - -	$12,562
of notes of other banks - -	90,999
of debts due by other banks -	21,807
of contingent fund - -	92,369
Decrease of notes in circulation, &c. -	545,455
Making, in all - - -	$776,192

Against which, the loans from the Commonwealth, under the act of 24th June, 1837, may be made an offset.

Condition of the Boston banks, omitting Massachusetts, Franklin, and Lafayette banks, at the close of business, September 16, 1837, agreeably to returns made to the standing committees:

Capital - - - - -	$24,400,000 00
Circulation - - - -	1,938,326 00
Individual deposites - - -	6,327,561 17
Specie - - - - -	1,048,348 00
Real estate - - - -	653,523 15
Amount of loan - - - -	33,959,510 93

General state of the Bank of Virginia, on the 15th day of August, 1837.

Loans and discounts - - -		$,764,968 77
Stocks - - - -		368,181 56
Real estate - - - -		303,565 25
Due from other banks - - -		821,918 76
Specie - - - -		426,229 76
Other investments, (balances due from offices) - - - -		399,710 69
Expenses - - - -		9,780 85
		$10,094,555 64
Capital stock - - - -		$3,240,000 00
Contingent fund - - -		590,387 40
Discounts received, profit and loss, &c.		65,696 47
Deposite money, Treasurer of the United States - -	$,395,066 64	
Treasurer Commonwealth	181,908 33	
Other deposites -	1,373,879 55	
		1,950,854 52
Due other banks - - -		393,308 77
Circulation - - - -		2,812,088 31
Other liabilities, notes payable to Bank of the United States -	$279,252 88	
Bond to Commonwealth	325,000 00	
Balances due to offices -	437,967 29	
		1,042,220 17
		$10,094,555 63

Variations.

	On 1st June, 1837.	On 15th August, 1837.	
Loans and discounts -	$8,064,141 22	$7,764,968 77	$299,173 45*
Circulation - -	2,735,870 60	2,812,088 31	76,217 71†
Deposites - - -	2,361,714 60	1,950,854 52	410,860 08*
Specie - - -	449,783 33	426,29 476	23,353 57‡
Due to other banks -	18,083 61		466,693 60†
Due from other banks -	-	428,609 99	
Conting't fund, discounts received, and profit and loss - - -	706,509 59	656,082 47	50,427 12‡

*Reduced. †Increased.
‡Reduced, besides paying the dividend of July last, $97,200.

☞ Since the statement of the 1st of June, so far as the president and cashier are informed, nothing has been added to the bad and doubtful debt. The greater part of the increased suspended debt has been satisfactorily secured, and the residue is in a train of adjustment.

A. ROBINSON, Jr., *Cashier*.

City of Richmond, to wit:

On this 2d day of September, 1837, Anthony Robinson, Jr., cashier of the Bank of Virginia, personally appeared before me, a justice of the peace for the said city, and made oath that the foregoing statement is truly compiled from the several statements returned from the different departments of the said bank, according to the best of his knowledge.

Given under my hand on the day and year aforesaid.

EDWARD BAILEY, *J. P.*

When Mr. GARLAND had concluded

Mr. WILLIAMS, of Tennessee, addressed the House as follows:

Mr. Chairman, it was not my intention to have addressed the House until, in my opinion, the time had arrived for the political friends, with whom it is my pleasure and my pride to act, to make an effort on the political board to bring into successful operation the policy that I believe would restore this country to its wonted prosperity. Still, sir, owing to the manner in which this discussion has been conducted, I cannot forbear indulging in a few remarks. I beg permission to premise, with due respect and deference to the honorable gentleman from Virginia, [Mr. GARLAND,] who has just taken his seat, that the political war that is now waging between the two divisions of the administration party, is the first I ever witnessed with perfect indifference of feeling; for I do most honestly and sincerely believe that the only difference between the political questions that have given rise to the war is this: one of them, the State bank system, has been fairly tested as the fiscal agent of the Government, and has most signally failed, and brought overwhelming distress in its train; and that the modern sub-Treasury scheme has only to be tested, to produce the same result, and, in all human probability, add to

the misery of pecuniary distress the loss of liberty. I believe, with the gentleman from New York, [Mr. Cambreleng,] that the time will come, and that speedily, when this nation will have to decide between a United States bank and your modern sub-Treasury scheme. I, for one, stand ready to act my part; and I would hail with delight the introduction of any measure calculated to test at once whether this House intends to circumscribe its action within the narrow limits of taking care of the Government alone, or whether, in the arrangement and management of the moneyed concerns of this vast and growing republic, a due regard will not be had to the domestic exchanges of the country. Can it be possible, Mr. Chairman, that any attempt on the part of Congress indirectly to assist the exchanges necessary to the successful operations of commerce and trade, would be a departure from the spirit and genius of democracy, as indicated by the President in his message? If so, sir, I trust the wisdom of Congress will save the country from the blighting effects of democracy. The President of the United States has convened the American Representatives; and, owing to the distress that pervaded this nation from one extreme to the other, strong and confident hopes were entertained that measures calculated to relieve the country from the difficulties that must ever, in the nature of things, flow from a confined local circulating medium, would be presented by the President to the consideration of Congress. But far otherwise is the case. We are told that Congress has as much right to pass a law to assist the transportation of merchandise, as to pass a law affecting exchanges; and that we can only take care of the Government. It is with regret, sir, I have witnessed that, in obedience to the President's suggestions, the grand scheme of relief has made its appearance in the shape of bills from the Committee of Ways and Means, which, when summed up, amounts to nothing more nor less than an effort to revive the depressed state of the finances of the Government; and gives completely the go-by to the suffering condition of the country. Hence we have a right to infer that the lecture on economy, given by the President in his message to the American Congress, is amply sufficient, in his estimation, to save the sinking fortunes of the people. How just will be the indignation of the country when it is recollected that the self-same Government that now contents itself with a lecture on improvident and unnecessary expenses, is the identical party and Government who, but a few months ago, cheered and sustained the people in their onward course of speculation and extravagance, and hailed the seeming prosperity of the times with rapturous delight; and proudly pointed to this delusive appearance of prosperity as conclusive evidence of their superior skill in managing the vessel of State. And its friends, from Maine to Louisiana, continue to shout the praises of the glorious experiment up to the very moment when, as unexpected (to them) as a clap of thunder in a clear sky, the bubble burst, and scattered ruin and calamity around. Now, sir,—as if the world was fond of experiments—it is now proposed to rush from one extreme to the other; from the wildest and most profligate paper currency, down—down to the metallic standard. And all for what? Simply because the political jugglers who have ruined the currency of the nation, love office more than they love their country! And the partisan presses of the day, with an impudence unsurpassed in any age, are endeavoring to impose upon the intelligence of the community, by placing the whole catastrophe to the account of overtrading; as if there was not sagacity enough in the country to investigate the subject, and charge the overtrading to its true causes. It is true, sir, that the world was not only mad, but it is a notorious fact that the first symptoms of overaction and insanity made their appearance simultaneously with the removal of the public deposites; and perfect derangement followed Mr. Secretary Woodbury's circular letter addressed to the pet banks, requesting and desiring them to discount freely on the public revenue. It is now universally believed in the West that all this overaction, insanity, and derangement, is chargeable to the great experiment; for, sir, about the time your late President referred in his message to the immense sales of the western lands as an evidence of the prosperity and happiness which had flowed from his administration, it did indeed seem as if day had dawned never to close. Hence the cup of misfortune is doubly bitter.

I am not one of those who believe that the people ought to be encouraged to look to either the General or State Governments in the hour of pecuniary distress, to pay their debts for them; but, sir, I do contend that it is a high moral duty, and a delegated power that belongs to Congress, to provide some circulating medium that would enable the officers of your Government to manage the finances of the nation without loss or injury to the Government; and that can only be done (as the past history of your country abundantly proves) by giving to the people a currency uniformly good—a currency that will pass coextensively with the Government under which we live. This is the relief that the country expected; this is the relief that the country wants. And call you this an unconstitutional measure? It is as much the duty of Congress to benefit the mercantile interest of the country in that incidental way, as it is to give incidental protection to any other branch of industry.

Mr. Chairman, it is an unfortunate omen for the liberties of the country that efforts have been made to create a prejudice, and array one class of the community against another. The interest of the farmer and that of the merchant are intimately connected, and no sophistry can separate them; and all attempts of the kind, no matter from what source they may come, will recoil, sooner or later, with indignation and overwhelming contempt upon the authors of them.

Mr. Chairman, much reliance seems to be placed, by several of the honorable gentlemen who have addressed the committee, upon the argument that has been adduced—that Congress has no power to lay taxes in order to raise money to give to or to deposite with the States. This is an attempt to put this question upon a false issue. No such doctrine has been contended for by any member upon the floor of Congress. But, sir, when your General Government had collected, by an odious tax, from the pockets of her citizens, thirty-seven millions of dollars, over and above the wants of the Government, notwithstanding the wildest and most extravagant appropriations; because Congress, in order to stop an unholy struggle that was here waged for the spoils, ordered the surplus revenue to be deposited with the States, does that authorize the inference, that, when the law passed which gave the means that enabled the Government to make the deposite, the object with Congress was distribution among the States? By no means. Then, sir, the argument is wholly inapplicable to the subject under consideration; for suppose you, at this moment, had in your Treasury thirty millions of dollars collected by the Government, in anticipation of a war, by a special direct tax levied with that view, and it so happens that you have no war, and you have no use for the money; it is impossible for you to return to each man his penny or shilling as the case may be; but, by giving it to the States, the Legislatures respectively could so dispose of the money thus returned that it would be the same in principle as if you had returned it to the pockets of those from whom you had mistakenly and unnecessarily drawn it. Then, sir, is it possible that any gentleman can believe, for one moment, that such a course would violate the constitution, prostrate State rights, and corrupt the people? If so, sir, it would seem to me that but a poor estimate is placed on the virtue and intelligence of the people—that a simple return of their own property, which you had im-

properly exacted, would corrupt them. I did hope, sir, that the old argument of corrupting the people would not have been revived in the discussion of this question. It would be just as much a violation of an agreement to withhold the fourth instalment, under the law of June, 1836, as if it had been a direct and positive gift to the States; the principle is the same. Thanks to my political friends who have preceded me in this debate, I am relieved from the trouble of discussing this part of the subject.

The mode of reasoning, Mr. Chairman, which has satisfied me that the bill under consideration ought not to pass, is something like this: Cannot the future expenses of the Government be so curtailed as to enable it, in addition to its other necessary disbursements, to fulfil its obligation or liability to pay over the fourth instalment to the States, and thus meet the just expectations of the latter; and, in the end, the liability so created be discharged without any additional taxation: as, for instance, by issuing Treasury notes, or by a loan, no matter which, in this view of the subject?

That this can be done, no gentleman will take upon himself to deny, unless it is contemplated to keep the expenses of the Government up to the high-water mark of thirty odd millions per year. I appeal to this committee to know if it would not be far better for the country to draw upon the anticipated future income of the Government, than to disappoint the States, who have (or at least a portion of them) used the promised deposite in advance? For myself, I do not believe the condition of the Treasury, although it is at present in a pitiable situation, requires, at the hands of Congress an abandonment of the deposite law. If Congress will relinquish their wild and extravagant mode of appropriations, and go to work honestly and earnestly to retrench, instead of annually enlarging the expenditures of the Government, there will be no necessity for disappointing the States. May I not confidently appeal to that portion of the members of this House, who, when the expenses of the Government were only thirteen millions, cried aloud and spared not for retrenchment and reform, to assist in the effort, and let a searching inquiry be had to ascertain how it is that these expenses have increased to such an alarming extent, and see if they cannot be lessened without detriment to the public good? I would like to know how it has happened that we are now called upon to suspend the operation of a law for the want of means to comply with it, when, during last winter, it was so confidently believed that there would be a surplus in the Treasury on the 1st of January next, that a motion was made, and a provision attached to the fortification bill, that provided for the deposite of the contemplated surplus? And such was the dread of corrupting the people, by scattering money among them, that some of the distinguished individuals in the other wing of the capitol were horror-struck at the idea, and resisted the amendment with such pertinacity, that the whole bill was lost. Surely the extravagance and mismanagement of the finances must have been great to produce such an unexpected result; and a presidential lecture on governmental as well as individual improvidence would have been quite appropriate. But not one word of condemnation has reached us, nor any recommendation in favor of retrenchment, notwithstanding the acknowledged distress of the times. What has become of the forty odd millions that were in your Treasury on the first day of January last? I am for applying the individual lecture given by the President, in his message, to the Government; and I am not disposed to arrest the fourth instalment, and thereby assist in placing the means in the power of the administration to continue the same mode of extravagance. I am aware of the argument that is contended for on the other side, that it is folly to create a national debt in order to obtain money to deposite with the States for safe-keeping. If the gentlemen who use the argument would only recollect that there is already a bill upon your table for that purpose, their dread of a national debt would cease; for come it must, it seems, with or without the passage of this bill.

It is strange that only a few months ago, this House—nay, this nation—seemed to be shaken to its centre by the contest that was here waged as to what should be done with the surplus revenue; now, we are called upon to create a national debt, and that without any one condescending to give (to my mind, at least) any satisfactory reason how it has happened. Is that, too, chargeable to the account of governmental overtrading? If so, the adventurous politicians should be exposed to the American people. I entreat this committee to pause, and calmly take into consideration the grand scheme of relief as proposed by the organs of the President in this House, and ask themselves what it is we are called upon to do for the relief of the country? First, we are called upon to postpone, until doomsday, the fourth instalment, under the deposite law of June 23, 1836; secondly, to give indulgence on the merchants' bonds; thirdly, to cut loose the Treasury from all banks, and rush into the golden age, and make the pockets of your officers your Treasury—which would increase, by the President's own showing, the already enormous expenses of the Government, sixty thousand dollars per year; and, fourthly, (as if conscious that the measure proposed would produce universal bankruptcy,) a bankrupt law, as a winding-sheet for the deposite banks, is asked for—an apt and appropriate provision in the catalogue of relief proposed by the Executive. We have come to a beautiful state of things, that your President asks you to do that which would disgrace an individual to do. I will prove the assertion. If a man, who had heavy dues owing to him, would refuse to take any thing but gold and silver in payment, under the present embarrassed state of things, and use the advantage which the occassion gave him to fatten at the expense of his neighbors, when he had only a short time before declared that the money he was now refusing would be good, nay, be better than United States Bank paper, no man would hesitate to pronounce him an unprincipled scoundrel. Sir, is it possible that what would disgrace an individual would be right in your Government?

But, sir, to my mind, the measure that rises superior in point of importance to all others proposed, is the one that contemplates issuing Treasury notes. I have felt an anxious wish to vote for the bill, for the reason, that I am satisfied some active means are wanting by the Secretary of the Treasury to carry on the wheels of Government; but, sir, when I look at the consequences that may possibly flow from a precedent of the kind, I cannot vote for it. I am constrained to believe that it is designed ultimately to convert it into a Treasury bank. If not, I ask its friends why they did not introduce a bill simply to borrow money? If nothing else is intended but to raise means on the credit of the Government, why not call things by their right names? If you issue ten millions of Treasury notes this session, bearing interest, it will be the best of currency, so far as mere value is concerned; but have you any security that, at the next session, ten millions more will not be issued, and so on, until the entire calculation, by which exchange is managed, will be in Treasury bills? They will be good, and much sought after. If so, is there not great danger that Congress will, in the end, attempt to supply the place of a United States bank by large and heavy issues of Treasury notes, and in that insidious way lead the people on, step by step, until a Treasury bank becomes the order of the day? Once get it into full and successful operation, and the sun of American liberty, in my humble opinion, has set forever! Add to the powers of your President a Treasury bank, and then compare his powers to those of the British Queen, and you will find (to borrow an expression) your "republican simplicity" shocked. You

will further find that the only difference worthy of notice would be this: your President is elected to his station, the Queen was born to hers. Then, sir, surrounded as this administration is, with strong suspicions that a Treasury bank is one of its desired objects, I, for one, will not vote for any measure that can by possibility be considered even to squint that way; though it is not my intention to detain the committee with my objections, in detail, to a Treasury bank, particularly after the able and masterly view taken of that subject by the honorable gentleman from South Carolina, [Mr. THOMPSON.]

On several occasions honorable members have expressed their hope that we had met here in the spirit of compromise. I must confess, circumstanced and situated as the two parties are known to be, that I do not see the force of the expression "compromise." What, sir! Do you not know that the opinions of the two contending parties are as far apart as the East is from the West? How, then, are they respectively to act, but by rearing aloft the banner under which they sail, and gallantly charging the ranks of their opponents with the weapons of reason and the past experience of their country, and indignantly throwing down all the weapons of dishonorable warfare, such as impugning motives, and accounting for an honest difference of opinion on the grounds of corruption alone? I am for doing this, and meeting at once, so far as I am concerned, the main question, and decide it, and let the country know on what they have to depend. But, notwithstanding I believe a compromise is impossible, if any gentleman will trouble himself so far as to explain what he means by that term, and if I view it in the light he does, most gladly will I disentangle myself from all party associations, and march up and sacrifice upon the altar of my country's good a due proportion of my long-cherished opinions; but until this is done, sir, I feel it to be a duty which I owe to the distressed and suffering condition of my fellow-citizens, boldly to avow my readiness to pursue the course that I believe will not only save the vessel of State, (which is now buffeted about by the billows of an angry and uncertain ocean,) but save this country from the tender mercies of a broker's shop, whenever one of your citizens wishes to travel out of the limts of his own State. When I recollect that the party now in power unhesitatingly declared that the State banks, with the assistance of the public deposites, would give to the moneyed operations of your Government, and to the exchanges of the country, the same facilities, nay, even greater, than the late United States Bank did, and contrast their statements with the result, I am not, sir, in the least surprised that the President, in his message, has thought proper to resort to the arguments that were made use of by the opposition, in order to exhibit the necessity for his sub-Treasury scheme. Can it be possible, when the ship of State is launched upon a new and untried sea, contrary to the advice of the most experienced seamen, and, when launched, she becomes stranded, that the same thoughtless imprudent seamen who did the mischief, and who have not the moral courage to acknowledge their error and to return, can expect to be supported in their onward course of mischief by simply making an able *exposé* of their first error? Who, sir, that does not bow to the unanswerable argument of the President against the State banks as suitable fiscal agents? But, unfortunately for the country, it comes too late. Had the same just view of the rotten-borough system been taken up by the ruling party three years ago, how many hundreds of our fellow-citizens would have been saved from ruin, in all human probability?

When, Mr. Chairman, I suffer myself to take a calm survey of my country's political history, the fact that strikes me with the most force is this: that, since the organization of your Government, we have been but eight years without a national bank; and in five years of that time (from 1811 to 1816) millions of dollars were lost to individuals, and to the Government, for the want of some lever power to circumscribe and hold in due bounds the issues of your State banks; and the difficulties and distress, since the late United States Bank has been put down, are too fresh within the recollection of every body to require at my hands any comment. Now, sir, contrast these circumstances with the fact that, during the thirty-eight or forty years that the United States Bank was the fiscal agent of the Government, not one dollar was lost to the nation. Is it not due to the public that the reasons of the modern democrats for having left the old, safe, and well-tried mode of keeping the public money should be made known? What, Mr. Chairman, are the arguments resorted to, in order to induce the people to continue in the course that has produced such unfortunate results? Nothing more nor less than these: that an institution of the kind is dangerous to the principles of liberty; and that the late United States Bank, in her struggle for a recharter, carried the war into Africa. I am speaking of those gentlemen who oppose it on the ground of expediency alone. Admit, for argument's sake, (which I, as the undeviating friend of a United States bank, most freely do,) that the directors often erred; what does it amount to? Simply this: that all human institutions are liable to err.

Then, sir, when I see gentlemen opposing a national bank, and taking shelter under the misdeeds of the late United States Bank, I feel as if the prosperity and happiness of my country is jeoparded by a false issue. The same mode of reasoning would exhibit, as plain as sunbeams in mid-day, the necessity of abandoning the plan of salvation and all republican forms of government—two of the dearest and most inestimable privileges that belong to man. I will illustrate my assertion. The bank is opposed because it interfered in elections, and endeavored to sustain itself by overturning the then existing administration; hence all institutions of the kind are unfit to be trusted, and dangerous to the principles of liberty. A church is established in a certain section of country; the members, by doing wrong, disgrace themselves and the cause of religion: is that any reason, sir, that, in all time to come, the people in that section of country should abandon the plan of salvation, and rush headlong to perdition? Again, sir: suppose this House were now assembled for the purpose of forming a constitution for the twenty-six States; with what indignation and contempt would you look down upon any member upon this floor who should rise and tell you that mankind was incapable of self-government, and refer you to the history of Greece, Rome, and the other ancient republics, on the ruins of whose liberties despotisms of the darkest hue have been reared, and tell you we must have a king? Does not your own historical information satisfy you that a long list of follies, foibles, and damning corruptions could be adduced to sustain the position? How, let me ask, did your illustrious ancestors act, when they assembled for the purpose of forming our inestimable constitution? Did they look back through the long vista of time for such ignoble purposes? No, sir, but, like patriots and statesmen, they examined the page of history for a far different purpose—to see when and how those ancient republics came to lose their liberties; thereby enabling themselves to ingraft, in the instrument they were forming, provisions that would enable us to escape the rock on which they split. Can we not, Mr. Chairman, in part imitate their illustrious example, by chartering a new bank, with such alterations as experience has proved to be necessary, without endangering the liberties of our country? Can it be possible, notwithstanding the fact that we have been sailing down the stream of time for the last sixty years, enjoying as much freedom as is consistent with the formation of a good government, that a bank which would enable your countrymen to pass and repass from Maine to Louisiana, without loss or injury to their purse, would, by corrupting the people, prostrate

their capability for self-government? If so, sir, liberty is but a dream that dwells in the disordered imagination of man while in the arms of sleep; and I would advise my countrymen, when the fourth of July again returns, and a dreamer mounts the rostrum, and proudly contrasts our Government with those of the surrounding nations of the earth, and boasts of the capability of man for self-government, to take him down and thrash him, for inculcating the principles of his distempered imagination. I am one of those, Mr. Chairman, that hug to my bosom, with fond delight, the belief that man is capable of continuing the onward march of improvement, by lopping off all well-founded objections, and ingrafting such new provisions as the lights of experience prove to be necessary; including, in the range of improvement, constitution, laws, and corporations. Then, sir, although I accept, as one of the opposition, in the name of my suffering country, under disadvantageous circumstances, the wager of battle which the gentleman from New York [Mr. CAMBRELENG] vauntingly threw down a few days ago, yet, sir, in imitation of an illustrious example set me, I take the responsibility, and join issue prospectively with the honorable gentleman; and allow me, sir, in the name of my immediate constituents, to nail my colors to a United States bank, and, sink or swim, through good or through evil report, they shall continue to float in the breeze—nailed there—from the unalterable conviction that a well-guarded United States bank, can alone rescue my country from the difficulties with which she is surrounded. And although the tide of battle is now raging two to one against us, yet, sir, the notes of victory which have reached us from the East and the West speak trumpet-tongued, that ere long the banner under which the opposition sail, will be borne in triumph through this House; and the country, in the language of another, will stand redeemed, regenerated, and disenthralled, through the irresistible influence of the ballot-box, from all future tinkering with the currency.

Mr. Chairman, I considered it my duty to my constituents to say thus much. The clear and unequivocal avowal in favor of a United States bank has been drawn from me in consequence of the manner in which this debate has been conducted; and not that I believe this is the proper period for the friends of such an institution to endeavor to charter a bank; on the contrary, I concur with them that now is not the time.

I desire, sir, before taking my seat, to compliment the honorable gentleman from New Hampshire for the moral courage that he displayed a few days since in paying a passing tribute of respect to the late President of the United States, for the free use he made of the veto power. I had fondly hoped, that when the exciting scenes which the exercise of that power had given rise to, had time to cool, and reason had again resumed the place of partisan feelings, all would unite in declaring that, whenever a President of these United States dared to assume the bold, high-handed, and anti-republican position, that he understood the interests of his country better than its assembled Representatives, and vetoed a measure on the grounds of expediency alone, that it was an assumption of power incompatible with the spirit and genius of our free institutions. But, sir, I see I was mistaken.

After Mr. WILLIAMS had taken his seat—

Mr. UNDERWOOD, with a brief explanation, indicated his intention (when the pending motion for amendment was disposed of) to move to amend the bill by striking out the whole of it except the enacting clause, and inserting, in lieu thereof, the following:

"That if the funds set apart to be deposited with the States, in virtue of the act of June 23, 1836, shall prove unavailable or insufficient to any extent to meet the provisions of that act, in such case the Secretary of the Treasury is hereby authorized and directed to sell, and transfer to the purchaser or purchasers, the bonds of the United States Bank of Pennsylvania, or evidences of the debt which said bank has contracted to pay the United States, for and in consideration of the stock which the United States owned in the late Bank of the United States, and apply the proceeds of such sale or sales to make up the deficiency; provided, that the said bonds or evidences of debt shall not be sold for less than their par value; and provided, also, that the bonds and evidences of the debt aforesaid, for the first instalment thereof, shall not be disposed of under this act."

Mr. RARIDEN rose and said: Sir, I feel great reluctance in obtruding any remarks of mine upon this House at any time, but especially at this early period of my congressional life. But, said Mr. R., I came here resolved, upon all and any measures affecting the weal or wo of this Government, to act upon the suggestions of my own understanding, regardless of the quarter from whence they might originate, or the friends or party who might advocate or oppose them. Yes, sir, I came here with a full purpose of heart to give the administration a fair hearing, and a bona fide support, in all measures which, in my opinion, would redound to the interest of this nation; and having made up my opinion upon this bill adverse to the Executive recommendation, it behooves me to show some good reason for that opinion, or I might subject myself to the charge of wanton opposition.

Sir, said Mr. R., I am aware, too, of the delicacy of the situation in which an humble individual places himself, when he sets up his opinion in grave matters of State against those of men exalted to the highest places upon the credit of superior endowments, and more than common devotion to the good of the country. I am aware, too, sir, that my position is less eligible for a correct conclusion—that I am less removed from causes which might mislead the judgment than is the Chief Magistrate; and was there not a very decided preponderance in my mind against the measure recommended and embraced in this bill, I might surrender my own judgment, and acquiesce; but upon this occasion I cannot: but I am disposed to accord to the Chief Magistrate the same purity of motive in the recommendation that I claim for myself in opposing it, and place the whole upon the ground of an honest difference of opinion.

Sir, I cannot view this bill as simply intending to withhold from the States the fourth instalment of the surplus revenue. This is a false and mistaken view of it. This will not be its practical effect, for it must be kept in mind that this surplus, the payment of which to the States is to be indefinitely postponed by this bill, is already with the States in the deposite banks, and is the basis of a portion of the circulating medium of the States; and to postpone its payment to the States by the national Treasury means nothing more or less than to withdraw from the States this basis of their circulating medium, by withdrawing from the deposite banks, in hard money, a sum equal to the amount to which each State is yet entitled under the provisions of the deposite law; and whilst this ruinous measure, which will be most sensibly felt by the western and southwestern States, is pressed forward, we find another measure, claiming the same fraternity, (referring to the bill to postpone the collection of merchants' bonds,) the effects of which will be to leave with certain States several millions of money, of which the Treasury is at this time in want, and to which, under existing laws, it is now entitled.

The few remarks which I design to make are with a view to illustrate the positions just assumed.

This question has been discussed by some gentlemen as though there was an angry and rival interest involved in the action of this House between the General and State Governments, and some seem to feel that they have specially in charge the interest of the former. For my part, I

do not view it in that light, nor do I feel myself more the friend and agent of the State which sent me here than the friend and agent of the General Government. I feel that in this matter I am the common friend of both, and that the action of this House is paternal; that in a controversy like this, for the possession of a fund which each claims as trustee, the adjustment of the difference is referred to us and the co-ordinate branches for an adjustment upon principles of political equity, looking to the convenience and well-being of both claimants.

I cannot comprehend how the General Government has any adverse or paramount rights in this fund to the people of the States. It was they who infused into it all its life and vigor, and bestowed upon it all its capacities, among which was the power to levy and collect a revenue of themselves, to such amount as was necessary to carry on and carry out the functions they had bestowed upon it, and predestined it to fulfil for their own good.

Now, sir, if from accidental causes, in the due execution of the established revenue laws, more has been collected than was necessary for purposes of Government, to whom does it belong—the agent who collected it, or the principal of whom it was collected? I, sir, consider it a common right of the people in a common surplus in the safe-keeping of the United States, the accumulation and inactivity of which, at the time Congress acted upon it, was paralyzing the enterprise and industry of the country. Money, we know, sir, is the generator of enterprise, and had this fund been permitted to have remained an inactive accumulating mass in the national Treasury, it would, in all probability, have checked the industry and enterprise of the country, as injuriously as its subsequent removal to the State banks stimulated them, and thereby greatly diminished the natural resources of the Treasury.

Add to this, sir, that it was a source of jealous watching with our intelligent countrymen, lest its influence might have been diverted to party purposes, instead of national. Indeed, sir, I have heard whispers that the party who once had the entire control of it, were less successful in elections since it has been wrested from their control, but whether there be any foundation for the uncharitable surmises that this fund had any agency in the success, I know not, and therefore cannot say.

Nor can I pretend to say positively that had this surplus remained in the Bank of the United States, the result would have been different from that which followed its deposite in the State banks—if the Bank of the United States was managed by fallible human agents, and it is probable, at least possible, that they were liable to the influence of the same passions and frailties which characterized the agents of the State banks.

This is all possible, but not necessary to determine now. The surplus was removed to the State banks, which cannot now be undone or recalled.

Congress, in the passage of the deposite law, seemed to have in view to ward off from the country the injurious effects of that disposition of them.

To ascertain the real effect of that disposition, we should inquire, how those deposites found those State banks and the business of the country dependent upon them, and how did they leave them?

Sir, the deposites found them doing a neat and profitable business, upon their own actual capital, and affording the country a paper currency, convertible at all times, and almost at all places, into hard money. The country was full of hard money. The business pursuits were prudent, safe, and economical. Few ventured beyond their means. But when this surplus insinuated itself into the operations of those State banks, they grew mad with avarice. Agents were employed to sue at the Treasury for favors, and when obtained, they poured their issues upon the country, based upon those favors, until they maddened it with the spirit of wild and reckless speculation. Discounts were increased, merchants enlarged their stocks, and their customers enlarged their purchases. Farmers enlarged their operations, and speculators theirs; and the spirit of the times, and the facility of obtaining accommodations, seduced some of the best men in the country from the occupations of their whole lives, into hazardous and profitless enterprises, and thus seemed to be going wild the whole business of life.

Congress seeing this, and correctly appreciating the cause, passed this deposite law as a corrective. I suppose it was in the contemplation of Congress, that, by withdrawing the deposites from the State banks, it would necessarily decrease their issues, and subject them to call in those which were based upon the surplus, and that by parcelling it among the States, at about the same ratio it had been collected of them, it would in some measure replenish the circulating medium, which would be constantly running into those banks, to enable them to meet their engagements to the Government.

The western States, or at least Indiana, was peculiarly situated at this time, and under peculiar embarrassments. In addition to her State debt, her citizens owed an immense private bank debt, based upon this same surplus, and which was contracted in the days of the experiment, and induced by the action of the Government, by throwing the immense surplus into the State banks, and stimulating their action, with a view to supplant the receding issues of the United States Bank, lest the people might mourn its loss.

Now, sir, this basis of the bank issues is withdrawn, and the notes of our people are in those banks to redeem those issues, and a large surplus portion of the same issues have run into the national Treasury through the land offices; and is there, a charge against our banks, as deposites. Is it the national Treasury that the banks must raise funds for, which we are told must be paid in hard money? From whence are those banks to derive this hard money but from the people, whose notes they hold; and they, in turn, must coerce hard money from their debtors; and so the process must go on, raking together the whole amount of hard money in the country, to be placed in the Treasury, and from thence issued out to those in the employment of Government? Add to this, sir, the constant drain that is running from our pockets, in hard money, through the land offices, to the same point, and for the same purpose. Both those drains, sir, are too much for any country to bear, especially in times of depressed markets.

Sir, it was with an eye to adjust this state of things that Congress passed this remedial, beneficent, and parental deposite law, and directed this surplus, which had done so much harm, to be delivered over to the States, the effect of which was to make the banks debtor to the States instead of the national Treasury, and thus to change the direction of the golden current.

But some gentlemen tell us now that there is no surplus, that the act is spent, and nothing remains for it to operate upon. Why so? Where has it gone to? Was not the action of Congress based upon a visible and tangible fund, to be in the Treasury on a certain day? And was it not there on that day? So says the Secretary's report. And disposed of by the act? If so, then it is a Congressional disposition of the public money; like all other dispositions, a fair and permanent charge upon the Treasury, and if misdirected by the agents of the Government, or absorbed by other appropriations, it is a fair demand of the States upon the Treasury, and so far remains to be executed.

Sir, it is important to my State that it should be executed. Much of her legislation is based upon its reception; her institutions of learning look to it; her system of internal improvements looks to it; and her citizens look to it as a fund to resuscitate, in some degree, the fountain of their currency in these dark days.

And as it is submitted to us, as the common arbiters of

the General and State Governments, let us adjust it in such way as the least inconvenience will result from it, and in doing this, we need not consider for a moment the condition of the national Treasury. It can speak money into existence with our assent; and in doing so, it will increase both the quantity and quality of the circulating medium, now oppressively deficient. In deciding this question, it is unimportant to me whether one or the other side is correct in their deductions from the Secretary's finance report. The currency of the State which I have the honor in part to represent is not kept flush by disbursements from the national Treasury, as are some of the Atlantic States. We have no army or navy to supply or pay off; no breakwaters or buoys to erect: no light houses, no harbors; not any thing, indeed, but a small appropriation from the two per cent. fund on the Cumberland road. It is not that I would impute to Congress or the Executive partiality in those things; not so: it grows out of the nature of our position. But it is true, that those States favorably situated in regard to disbursements from the national Treasury, do not feel the effect of those drains of their circulating medium that we do.

Sir, putting aside all other considerations, to retract the legislation of the last year would be disreputable to the nation, whether the policy of the act was wise or unwise. It would be a confession that this grave body and the coordinate branches had acted upon a mistaken assumption of facts, or that they were so short-sighted that they could not appreciate the real condition of the Treasury or wants of the Government. For my part, whether the Treasury be flush or empty, I am for this money going to its predestined object. It will there do much good and prevent much harm, and its absence from the national Treasury can work no inconvenience; for, I again repeat, we can speak money into the Treasury; and we who are for the democracy of numbers can have no objection to obtaining it in that way; for by parcelling it out with the States, it goes into the hands of the necessitous and borrowing class, and will tend to keep up the price of labor and produce; and when it is to be refunded in the redemption of Treasury notes, it comes from the pockets of the wealthy—those who "clothe in purple and fine linen, and fare sumptuously every day." When things resume their natural tone, it will be time enough to talk about legislating it from the State Treasuries.

Such are my views.

Mr. CUSHING next rose and addressed the committee substantially as follows:

Mr. Chairman: I am not prepared to vote for this bill. Various reasons for opposing it have been adduced by different gentlemen, in many of whose arguments I concur. I have another reason, particular to myself.

The clauses of the deposite act, which appertain to the present question, seem to me to possess all the features of a contract. It provides that the whole surplus revenue of the United States, beyond a certain sum, which may be in the Treasury on a certain day, shall be deposited with the several States; which deposite the States are to keep safely, and to pay back to the United States, whenever the same shall be called for by the Secretary of the Treasury in a prescribed time and mode, and on the happening of a given contingency. Here, it seems to me, is a contract in honor; and, so far as there can be a contract between the United States and the several States, a contract in law; there being reciprocal engagements, for a valuable consideration, on both sides. It is, at any rate, a quasi-contract. They who impugn this view of the question argue on the supposition that the act, performed or to be performed by the United States, is an inchoate gift of money to the States. Not so. It is a contract of deposite; and that contract is consummated, and made perfect, on the formal reception of any instalment of the deposite by the States.

Now, entertaining this view of the transaction, I am asked by the administration to come forward and break this contract. True, a contract made by the Government of the United States cannot be enforced in law. Does that make it either honest or honorable for the United States to take advantage of its power and violate its pledged faith? I refuse to participate in any such breach of faith.

But further. The administration solicits Congress to step in between the United States and the States as a volunteer, and to violate a contract, as the means of helping the administration out of difficulties, into which its own madness and folly have wilfully sunk it, and which press equally upon the Government and the people. The object of the measure is to relieve the Secretary of the Treasury from the responsibility of acting in this matter as he has the power to do. Let him act. I will not go out of my way to interpose in this between the Executive and the several States, until the administration appeals to me in the right spirit. This it has not done. The Executive comes to us with a new doctrine, which is echoed by his friends in this House, namely, that the American Government is not to exert itself for the relief of the American people. Very well. If this be your policy, I, as representing the people, will not exert myself for the relief of your administration.

Let me restate the question. The doctrine of the Executive is, in short, that, in their mutual relations towards each other, all the Government has to do is to be supported by the people, and all the people have to do is to support the Government. Now I say that, under such circumstances, for an administration professing such tenets, I will do just that which my public duty to the country requires, and no more. I will vote for its Treasury note bill; that is, grant it a loan, not for the sake of the administration, but for the sake of the public creditors to whom the money is, or will be due, and of the Government as such, which must not be allowed to suffer, whatever may be the faults of the administration. But I will not, as a member of Congress, volunteer to take on my own shoulders the responsibility of revoking or withholding the surplus revenue from the States, in order to lighten the burden of responsibility, which the existing law imposes on the Secretary of the Treasury. Let him untangle his own snarl. I will not raise a finger to do it. The administration has got itself and the people into these desperate straits. It now proposes to cut loose from the people, and abandon them to their fate· but asks of us, the House of the people, to take upon us the propitiation for its sins; and to do this by the violation of a contract between the Federal Government and the States. I will not do it.

Sir, I submit these brief remarks, on this particular bill, by way of preface to the more extended line of argument, which I am about to pursue.

This debate, like others in Committee of the Whole on the state of the Union, has been rather unequal in character. Some gentlemen have confined themselves to the bill; others have taken a wider range. The course of the Committee of Ways and Means, who reported the bill, has been worthy of note. They have introduced into this House a series of remarkable measures, deeply affecting the public interests; but they have submitted no report, or other formal exposition of the subject. They leave nothing on the record justificatory of the measures they propose. I understand this. I see the art of it. Their argument is the general system of the administration in the present contingency, as unfolded by the President in his message. That committee came here with the advantage of a case made out for them by the President of the United States. Their case has not been fully met by the opposition. So far as regards the general policy of the administration, of which this is a part, a link in the chain, it has not yet been argued in detail. This I mean to attempt.

Intimations have been thrown out concerning the neces-

sities of the Government, as a reason for hurrying on this bill. I reply, that this bill does not give money to the Government. Not a dollar. If the Government is in urgent want of money, let the chairman of the Committee of Ways and Means bring forward his loan bill and have it passed. It is not my fault that he keeps this bill in advance of the others. And if he does, he must bear the responsibility of the consequences. We came here expecting to be gagged in the House; and, for aught I know, to be *gouged* under the gag; but, in Committee of the Whole on the Union, we will not be choked off by any such management, from discussing the state of the Union.

It was the original usage to reply to the communication of the President at the opening of Congress. That course has been discontinued; and the consequence is, that political discussion can take place only in connexion with bills or resolutions in themselves of limited scope. But there is no want of pertinency in such discussions here. The message is confined to one subject. That subject is the party-point, and at the same time the business point, of all the existing agitation of the country. And I propose, on this occasion, to enter into a full examination of the message.

The President himself invites thus. He says that the subject "deserves a full and fair examination, and cannot fail to be benefited by a dispassionate comparison of opinions." In undertaking this, I design to discuss the message fairly, as a mere state-paper, and in the spirit of proper respect and courtesy due to the Chief Magistrate. It is a well-digested, carefully written, argumentative document, promulgating and advocating certain opinions. The other side should be heard; and this can be done, only by subjecting the message to scrutiny, and discussing it directly, as well in as out of Congress.

Convocation of Congress.

Mr. Chairman, this is an extraordinary session of Congress. We are called here by the proclamation of the President, induced by great and weighty considerations. Nay, he deems the circumstances of the time so remarkable, that, in the message, he recommends, I will not say commands, Congress to attend to nothing else. He withholds from us information as to all other departments of the public business. What are these "considerations," as developed in the message? They are,

1. The alleged inability of the Executive to carry into effect the provisions of the deposite act, so far as respects the public deposites, in consequence of the suspension of cash payments by the banks.

2. The apprehension of a diminished or deficient revenue, and consequent embarrassments of the Treasury.

3. The question of the time of forbearance to be conceded to the debtors of the Government.

4. The liability of Government to encounter difficulties in the payment of the fourth instalment of the surplus revenue engaged to the States.

These are, in substance, the special inducements assigned for the convocation of Congress. The public distress of the country is not stated as one of them. The President does, indeed, barely hint at this, in saying that he was desirous to enable us to exercise our "full constitutional powers for the relief of the country." Wherein does the country need relief? This we are not told. We are instructed as to the difficulties of the Government. We are not instructed as to the prostration of the active business of the country, the bankruptcy of its merchants, the embarrassments of its banks, the cessation of manufactures, the stagnation of trade, the fall of our staples, the universal distress and alarm, which pervade the commercial interests of the whole Union. The difficulties of the country and of the people are not so much as the subject of a suggestion. The Government is to be taken care of, as if it were a foreign conqueror, revelling at free quarters in the heart of a vanquished nation; but nothing, absolutely nothing, is to be done for the general relief of the people.

The Executive cannot find specie paying banks to receive the public deposites. Well, could he from May to September, four months? If he could regulate the deposites for that time, why not three months longer, until December? Especially, if there is no revenue. Especially, if Congress is to do, what the President recommends, leave the whole public treasure in the very hands of the Executive.

A deficit in the Treasury? Very well. What is the remedy? Draw on the surplus revenue? It is all subject by law to the call of the Secretary. Issue Treasury drafts? The Executive has done it already, without the aid of Congress.

Forbearance to the public debtors? If the Executive could extend their obligations, first to September, and then to October, it can do so until December.

Specie-payments? The message does not recommend any thing for the public relief, in this respect, either of the country or of the banks, unless it be a special bankrupt-law for the demolition of corporations, a measure not of relief, but of additional distress.

Thus, comparing the alleged inducements with the remedies proposed, there would seem to be little reason for an extra session of Congress. We might as well be at home. The difficulties propounded to us are Executive difficulties, for the Executive to worry along with; the ordinary drawbacks on the enjoyment of place and power. Is it not paltering with Congress to tell us only of the difficulties of the Executive? Is it not a mockery of the sufferings of the people? I say, either Congress should not have been convoked, or, if convoked, something should have been proposed for the substantial relief of the country, rather than exclusively of the Government.

Sir, the secret, the true secret of the extra session of Congress, is, in my judgment, the bankrupt condition of the Treasury. But this the administration, which has lauded itself so extravagantly on the discharge of the national debt, this the administration shrank from looking frankly in the face, and avowing to the people. Accordingly, what do we now see? Why, we are daily goaded into the hurrying forward of this bill, by the allegation that the Treasury is empty. Yet the administration, instead of manfully meeting the contingency, by asking for a loan, asks us to pass a Treasury note bill. What are these ten millions of Treasury notes? Nothing more nor less, in plain English, than a national debt, a Government loan, and, if issued without interest, a Government loan in that worst possible form—old Continental paper money. Glory to the gold-currency-men, who have plunged themselves into the quagmire of a Government paper money system, and in the first year of the administration of President Van Buren exhibit to us a bankrupt Treasury, to be relieved only by contracting a national debt!

Public Distress.

Mr. Chairman, not only does the President propose nothing for the relief of the people in their overwhelming distress, but he proceeds to speak of the public difficulties as "the revulsion through which we have just passed." Is it a revulsion through which we have passed? Is the Government at ease? Have the banks resumed cash-payments? Has the exportation of specie ceased? Has trade revived? Has cotton regained its old price? Are the manufactures and the commerce of the country restored to their former prosperous activity? If not, why are we told that it is a revulsion which we have passed through?

Let us look into this revulsion. It is now September. On the fourth day of March last, only six months ago, the late President of the United States, in language of seemingly well-grounded self-gratulation, told us, in his farewell address, of the happiness and prosperity of the United

States. How stand things now? Beginning with insolvencies among the merchants, and proceeding to the stoppage of specie-payments by the banks, the country has gone through a series of commercial and financial disasters, unexampled, in time of peace, in the history of this or any other nation, until we are brought here, to be told by the Secretary of the Treasury, that the Government of the United States, which at the beginning of the year possessed a clear surplus treasure of forty-two millions, is now utterly destitute of funds, and cannot get on without a breach of contract with the States, and the issue of ten millions of paper money to meet the daily exigencies of the Treasury.

Such are the facts on the face of things. Now, what, in the first place, are the causes of all this, so elaborately expounded in the message?

CAUSES OF PUBLIC DISTRESS.

The President says, and I believe him, that in spite of "the passions and conflicts of party," these causes cannot fail to be fairly understood, sooner or later. They will be. They cannot be disguised now, from any who choose to see. How does the President himself explain the matter? His exposition is remarkable. Chiefly "overaction in all the departments of business," stimulated by "excessive issues of bank paper," and by other facilities of credit, and bringing in its train the evils of speculation and extravagance; this "overaction" aggravated in its effects by the great conflagration in New York, the transfer of the public deposites under the deposite act, and the conduct of the Bank of England.

"Overaction" in business, then, produced by excess of bank issues—that is the cause, upon the showing of the President. Now, I do not undertake to adopt the President's explanation as wholly true; for, if the question of "overaction" were examined on its own proper merits, it would be perceived not to be so plain a matter. But I argue upon the premises presented to me by the President. "Overaction" we assume, if you will, as the immediate cause of the existing financial and commercial disorders in the United States. Then what is the cause of the cause? The *causa causans?* For the President himself tells us of "antecedent causes." And what are these antecedent causes? How came the bank issues to be excessive? To talk of overaction, and to stop there, is only telling half the facts. A magazine is blown up. You say it is by an explosion of gunpowder. Be it so. I demand, Who laid the train? Who applied the match? What produced this "overaction?"

Every body knows, the President himself knows, he is too wise a man to deny, the real facts of the case. The message tells us that, in the two years from 1834 to 1836, bank capital in the United States increased from 200 to 241 millions, notes in circulation from 95 to 140, and discounts from 324 to 457 millions. Now, what induced this rapid augmentation of bank capital, bank issues, and bank discounts? For these are the evils which constitute the burden of the message.

It is all matter of unquestionable history. The fact is notorious, that the increase of bank capital began simultaneously with the indication of a disposition on the part of the late President to obstruct the recharter of the Bank of the United States. Bank capital went on augmenting, alongside of the removal of the deposites and the progress of the Executive war against the bank. In 1811, the number of State banks was eighty-eight, with a capital of $42,610,601; in 1816, the number had risen to two hundred and forty-six, with a capital of $89,822,422. In 1830 the number was three hundred and twenty-nine, with a capital of $110,192,268; in 1837, the number (branches included) was eight hundred and twenty-three, with a capital of $378,421,168, (Ex. Doc. 1836–'7, No. 65, p. 208.) In the long period from the foundation of the Government to the beginning of the last administration, the whole number of banks created was less, in the proportion of 329 to 494, with capitals less in the proportion of $110,192,268 to $268,228,900, than were created in the seven years of that administration. Nor is this a mere casual coincidence of facts. They belong to each other as cause and effect. That this augmentation of bank capital was occasioned, or at least accelerated, by the adversary action of the late President against the United States Bank, is a thing beyond dispute. It was done professedly to supply the vacuum in the money market anticipated to follow the death of that bank. It was urged as necessary to the success of the late President's policy. Rival institutions sprang up under the auspices of his "experiment," in the expectation of advantage from the Government deposites, which were even begged as a party boon by minions of the administration.

Not only do we know this to be so, looking back upon the past in the certainty of actual experience, but the progress of events was distinctly foreseen at the time, and the result unerringly predicted by the great men who opposed the wild schemes of the late President. In the debates of that day, Mr. Webster said: "Under a pretence of a design to return to a currency which shall be all specie, we are likely to have a currency in which there shall be no specie at all. We are in danger of being overwhelmed with irredeemable paper, mere paper, representing—not gold and silver—no, sir, representing nothing but broken promises, bad faith, bankrupt corporations, cheated creditors, and a ruined people." Mr. Binney said: "The project of the Secretary of the Treasury astonishes me; it has astonished the country. * * * It is the clearly avowed design to bring, a second time, upon this land, the curse of an unregulated, uncontrolled State bank paper currency. * * * If the project shall be successful, we are again to see the paper missiles shooting in every direction through the country, a derangement of all values, depreciated circulation, a suspension of specie payments, then a further extension of the same detestable paper, a still greater depreciation, with failures of traders and failures of banks in its train." Mr. Adams said: "Your President has usurped legislative power. He has laid his hands upon your treasure. He has seized it, and now wields it as a weapon of power to himself, and of plunder to his partisans. * * * His chosen State banks are to be his depositories, and engines to restore a metallic currency. With what intuitive sagacity are the means adapted to the end! Sir, his State banks would hurl the nation—they are already hurling it—into universal bankruptcy. His hand must be stayed, or the nation is undone."

All these and similar predictions were scoffed at by the friends of the administration at the time as panic speeches. How strikingly have they been verified by the event!

That the administration is exclusively responsible for these disasters, I do not contend. Other causes may have contributed, and doubtless did, to the same end. But this I do say, that whatever tendency there may have been to improvident speculation, and to excessive creation of bank capital, was fostered and aggravated by the action of the administration. It fed and fanned the flame. It forced on that monstrous expansion, which has terminated in the present crash. Who can forget the late President's self-satisfied addiction to his "experiment?" With what headlong rashness he assumed "the responsibility" of the disastrous consequences, which he was warned would ensue upon it? Or the blindfold recklessness of coming events, under the influence of which, in his farewell address, he spoke of his "humble efforts" to improve the currency of the United States?

But the direct warfare of the administration against the bank was not the only particular in which it served to bring on the existing state of things. I am well persuaded that the removal of the public deposites from the Atlantic

States, where the money had been collected, and where, in the course of trade, it belonged, and its transfer to State banks in the West, to be there discounted upon, was partly instrumental in producing the fever speculation in public lands, which the late President thought it necessary to check by the specie circular. And it was the unexampled demand for public lands which filled the Treasury with a surplus; for the revenue from customs alone has held an average of about twenty millions annually for twenty years, and has not equalled the expenditures of the Government.

The importations of gold by direction of the Executive were also pernicious every way. Being forced importations, contrary to the current of trade, they increased our foreign debt, and so contributed to raise exchange and to depress our staples. So far from diminishing the paper circulation of the country, as it was fancied the operation would do, it increased the amount, by merely serving to enlarge the basis of bank issues instead of taking their place. It contributed to alarm the capitalists of Great Britain, and to produce that panic action of the Bank of England, to which the President justly refers as one of the immediate causes of our commercial embarrassments.

Sir, I do not justify in any respect the conduct of the Bank of England in this affair. That company had a direct agency in producing the present crisis. England tempts us to buy, to incur a debt on the credit of our crop, and then all at once abruptly cuts off that credit, and so strikes down the price of our staples to a degree which deprives us of our ability to pay. This, I admit, was iniquitous, if done with sinister motives, and was unwise and impolitic in every point of view. The Bank of England, it may be, in a moment of panic, exploded the bubble. But who blew up the bubble? Who caused that panic?

The Bank of England saw the Executive of the United States embarked in a mad scheme to overrun the credit system of this country, and to drive us back into a specie currency. To accomplish this, the Executive was causing the indemnities due the United States from France and Naples to be remitted in cash. Meanwhile the United States had passed a law, in prosecution of the same policy, changing the relative value of gold and silver. Previously, silver bearing a higher legal value in the United States, relatively to gold, than it did in Great Britain, was the practical standard of value in this country; and the importation of it did not seriously affect the money market of England, or the trade relations between England and the United States. We had, in fact, each a separate and distinct specie basis for our respective paper circulation; she gold, and we silver. Our late law, changing the value of gold, reversed the old state of things, and rendered the bank and business paper of each country more indissolubly connected with that of the other than ever, and subject to precisely the same fluctuations. When, therefore, the Bank of England saw all these things, especially the crowning act of the specie circular, and perceived that its cash was rapidly flowing out for exportation to the United States, it very naturally became alarmed for its own safety, and thereupon adopted, precipitately and inconsiderately, injudicious measures of self-defence.

Another of the conspiring acts of the administration has been its loud cry against banks and bank paper; the clamor of its presses and its public men against merchants; their attempts to band the poor against the rich, and to strike down every form of the investments of property; their schemes for the overthrow of charters; all the radicalism and jacobinical projects of disorganization, which are so rife at this time, to the discouragement of that confidence between man and man, and that trust in the stability of business, which are the very life-blood of commercial prosperity.

Condition of other Countries.

Without dwelling upon these and other pertinent consideration, I proceed to a part of the message which seems to me singularly inaccurate in its facts and deductions. To escape the conclusion that the existing evils are ascribable to the acts of the Government, the President proceeds to say that "evils, similar to those suffered by ourselves, have been experienced in Great Britain, on the continent, and, indeed, throughout the commercial world." This I confidently deny. I challenge any gentleman to produce proofs of the existence of similar evils anywhere else in the world at the present time.

What are these evils? The President produces no specifications of facts out of Great Britain; and well he might not; for, as the bug-bear of the day is "bank paper," he could not venture to suggest any excess of this on the continent of Europe, or among the semi-barbarian communities of Asia and Africa. The commerce of the world is as it were a great lake. The water, disturbed at one point, is gradually disturbed at every point. There cannot fail to be uneasiness in Europe, nay, the remotest India, when the vast commerce of the United States is shaken to its foundations. I concede to the President, for the sake of a fair view of the whole case, that recently, very recently, there have been commercial embarrassments in parts of Europe and Asia. But these embarrassments have been limited in scope, and comparatively trivial in amount, as every merchant in the United States knows; they have been the direct consequence of the derangement of our own trade, to which they have chiefly been confined; and they have not constituted a state of facts in any degree corresponding to that which now exists in the United States.

Now, for Great Britain. What are the evils, the "similar evils," existing there? Are the domestic exchanges in England all in confusion? Is the foreign exchange between her and us against her? Does she owe us a commercial debt which she cannot pay? Have her banks, universally, or any of them, suspended cash payments? Are there any wide spread bankruptcies among her merchants? Is the island flooded with a depreciated, unequal, irredeemable paper currency? Has her Treasury, in the space of six months, passed from redundancy to insolvency? Not at all. None of these things have occurred in Great Britain. It is a delusion to imagine it.

But, says the President, "a reference to the amount" of paper credit issues in Great Britain, during the years 1834, 1835, and 1836, "will show an augmentation of the paper currency there, as much disproportioned to the real wants of trade as in the United States." I am constrained, with all due respect to the President, to say, that such a reference will not show any such analogy. It is, however, a remarkable fact, and gentlemen are welcome to the benefit of it, that, during the last few years, there has been a bank controversy in England, not wholly unlike to the cotemporaneous bank controversy in this country, between the friends of the Bank of England and the friends of provincial banks, which has led to the multiplication of the latter, and has tempted the latter into errors, somewhat analogous in nature, but nowise analogous in degree, to those committed by the banks in some of the different States of the Union.

But as for "similar evils" in Great Britain, as compared with the United States, there is no such thing. Commercial embarrassments have been chiefly in the American trade, and have reached other departments of business only by the usual sympathy of all the commercial operations of a great mart like London. Money is at this moment a drug there. And it is a most extraordinary proposition to speak, as the President does, of there having been in both countries "nearly the same overwhelming catastrophe." The British Government will smile at this. With all imaginable gravity and simplicity, the message proceeds to say, that "The most material difference between the results in

the two countries has only been, that, with us, there has also occurred an extensive derangement in the fiscal affairs of the Federal and State Governments, occasioned by the suspension of specie payments by the banks." As if he had said: Here are two men equally sick, with only this material difference, that one has scratched his finger, and the other is in a collapse of cholera.

OBJECTS FOR GONGRESS.

Having thus endeavored, with what success the committee will judge, to shift from the shoulders of the Administration that "responsibility" for existing facts which the late President had assumed for it in advance, and which it must now be content to bear, the message proceeds to designate the objects calling for our immediate attention, in these words:

"They are,—to regulate by law the safe-keeping, transfer, and disbursement of the public moneys; to designate the funds to be received and paid by the Government; to enable the Treasury to meet promptly every demand upon it; to prescribe the terms of indulgence, and the mode of settlement to be adopted, as well in collecting from individuals the revenue that has accrued, as in withdrawing it from former depositories; and to devise and adopt such further measures, within the constitutional competency of Congress, as will be best calculated to revive the enterprise, and to promote the prosperity of the country."

All the objects specifically mentioned, you perceive, are in aid of the Government. Even the indulgence to the public debtors is of the same description; for it is impossible for the merchants and banks to obtain all at once the requisite cash to pay their bonds and deposites; and to drive them, is to deprive the Government of the whole debt. Measures "to revive the enterprise and to promote the prosperity of the country," are impliedly admitted as things to be considered by us; but no such measures are specified or recommended.

Conscious of the disappointment which the people must experience when they came to see this, the President abruptly proceeds to discuss the various means of carrying on the business of the Treasury, and incidentally the effects of each upon the commerce of the country.

He begins, by alleging that a desire exists among the people of the United States to separate the fiscal operations of the Government from those of individuals or corporations. Whether such a separation is really desired, whether it be practicable, and if so how to be effected, and what the thing really is, I shall consider hereafter in connexion with another part of the message.

NATIONAL BANK AND POPULAR WILL.

He then starts with the proposition that "to create a national bank, as a fiscal agent, would be to disregard the popular will twice solemnly and unequivocally expressed;" which will, he considers to be "deliberately fixed."

Twice, we are told, has the popular will solemnly condemned a national bank. It has done so; first, in 1811; and a second time, in 1834. Let us examine these two decrees of condemnation.

In 1811, Congress refused to renew the charter of the first United States Bank. The "popular will" chose to try the "experiment" of State banks. How did the "experiment" work? It commenced with a great multiplication of banks. Between 1791 and 1811, twenty years, the period of the existence of the old bank, the number of banks had increased from 11 to 88, and the amount of capital from $8,935,000 to $42,610,601. Between 1811 and 1816, five years, banks increased in number from 88 to 246, and in capitals, from $42,610,601 to $89,822,422, (Ex. Doc. 1836-7, No. 65, p. 208.) The experiment marched on, with suspension of specie payments, floods of of paper trash, tender laws, relief laws, commercial revulsions, and all but revolution, in its train, and wound up in 1816 with a new bank of thirty-five in lieu of ten millions capital.

Again. The bank of 1791 expired in 1811. The question of renewal was a party question. The renewal was opposed by the democratic republican party, and lost in the House by a majority of one vote, and in the Senate by the casting vote of the Vice-President. In three years, the circulating medium was disordered, the finances deranged, and the public credit impaired, to such an extent that the very same party, becoming sensible of its error, came forward magnanimously, and itself proposed and carried through the act chartering the second United States Bank. It was even a cabinet measure, introduced by the Secretary of the Treasury, carried twice by a decisive majority of the democratic party, and finally approved by Mr. Madison. Never did any set of public men make a more solemn recantation of a political error, than they did, in abjuring their party hostility to a national bank. So much for the first condemnation.

The second experiment is still in the full tide of success. We have gone through its early stages, in the multiplication of banks, the circulation of a depreciated and unequal State bank currency, the suspension of specie payments, and the commercial convulsions which surround us. What more is to come I know not. But I do know, that what has been, is no proof of the "popular will." Quite the reverse. The refusal of the late President to sign the bill rechartering the bank, like the removal of the deposites, was in defiance and violation of the popular will. The bill of recharter, passed by the representatives of the people in both Houses of Congress, was met by the veto of the Executive. The removal of the public deposites, disapproved in advance by both Houses, condemned afterwards by vote in one, and in reality by both, was perpetrated, arbitrarily, without legal authority, by him, with characteristic contempt of the popular will as expressed by Congress. In a word, this "experiment," instead of being any expression of the popular will, was, in despite of it, forced upon the country by the wilfulness, the unbridled passions, and the personal popularity of Andrew Jackson.

Besides, the party in power is a party of personal coalitions, not a party of principles. The late President himself was distinguished, while in office, by a want of consistent identity of political principles. In yielding up the bank to his vengeance, in re-electing him, the people did not substantiate any thing except their devotion to General Jackson. Least of all, was it a decision against a national bank. So far as the events of that day constituted any precise issue, it was not against any bank, but only against the bank. General Jackson repeatedly recommended a natianal bank, in messages to Congress.

What fixedness there may be in this pretended popular will, remains to be proved. It depends upon this: Whether men are patriots, and capable of acting as such; or whether they will obstinately persist in error, for the sake of being consistently wrong. To those of the men of to-day, who think it well to plunge on in reckless desperation from folly to folly, regardless of the good of their country, rather than to retrace their steps into the right path, I commend for study the conduct of the men whom they profess to revere as the ornaments of the democratic faith, from the speech of one of whom on this very question,—I mean William H. Crawford,—I quote the following:

"Sir, I had always thought that a corporation was an artificial body, existing only in contemplation of law; but if we can believe the rantings of our democratic editors in these great States, and the denunciations of our public declaimers, it exists under the form of every foul and hateful beast, bird, and creeping thing. It is an *hydra;* it is a *cerberus;* it is a *gorgon;* it is a *vulture;* it is a *viper.* * Shall we suffer our imaginations to be alarmed, and our judgments to be influenced, by such miserable stuff? * *

Why should we, at this perilous and momentous crisis, abandon a well-tried system; faulty, perhaps, in the detail, but sound in its fundamental principles? Does the pride of opinion revolt at the idea of acquiescing in the system of your political opponents? Come, and with me sacrifice your pride and political resentments, at the shrine of political good. Let them be made a propitiatory sacrifice for the promotion of the public welfare, the savor of which will ascend to heaven, and be their recorded as an everlasting evidence of your devotion to the happiness of your country."

So much for the condemnation of a national bank by the people. If it has twice been put down by them, so by them it has been twice put up.

Can the President, when he speaks of "the popular will, twice solemnly and unequivocally expressed," mean to refer, as some have supposed, to the re-election of General Jackson and the election of himself? I will not impute so poor an argument to him.

Utility of a National Bank.

Next, the President proceeds to argue that a national bank would not, and could not, have prevented the catastrophe which has occurred. Now, I will not undertake to say that the Bank of the United States could have prevented the effect, after the causes were allowed to exist and to operate; but it could have prevented the existence of the causes. No such enormous expansion of bank capitals, and with it all the sequence of evils alleged by the President, would have existed, as I have shown, but for the measures of the administration, including the overthrow of the bank.

The President thinks that the Bank of England has not saved that country from similar disasters. Is not the fact notoriously otherwise? Has it not stepped in to relieve and sustain the merchants and the provincial banks?

He thinks the late United States Bank did not in fact prevent similar embarrassments. This opinion assumes, what surely is not the fact, that exactly such a state of things had place in the time of that bank.

He contends that a bank created by the United States would be prone to over-issues, just as much as the banks of the States. This is a question of fact, which the fact disproves. We have had money-troubles at various times, differing in degree; but the two great convulsions, overtopping all others, and distinguished each by that most fatal sympton, a stoppage of specie payments by all the banks, have been during those two very brief periods in our history, when the experiment of dispensing with a national bank has been undergoing trial.

Exchanges.

Much is urged in the message on the subject of domestic exchanges, under special reference to the question of a national bank. The President denies that it is the duty of the Government of the United States to aid in or to regulate exchanges. Upon this point, I shall have some things to say in the sequel, in connexion with another part of the message.

At the same moment, almost, that the Executive disclaims this as a duty of the Government, he admits the propriety of its being done by the United States incidentally, so far as its own fiscal operations, contribute to that end. This admission gives up, it seems to me, the whole question, both of the constitutional power and of the official duty of the Government. I do not contend for a national bank, simply as the means of regulating exchanges. It would, I think, be the best fiscal agent the Treasury could have; and at the same time, it would, incidentally, be the best regulator of exchanges. The example of the late United States Bank proves it. We all know at how cheap a rate, and how regularly, it performed the functions of an exchange agent. Can private individuals do this? Can State banks do it? We see they have tried to do it, and have failed; and the notes of the United States Bank continue even yet, after the extinction of its charter, in circulation, as a currency of more pervading equality of value than any others.

But the Federal Government has express power by the constitution to regulate commerce and to provide a standard of currency and exchange. The same power is not given to the States. Does not this conclude the question of authority? The President, indeed, suggests, that it is no more the province of the Government to aid people in the transfer of their funds, than in the transportation of their merchandise. Well, the Government, in virtue of its commerce-power, does aid people in the transportation of their merchandise. It provides navigation-laws, it constructs light-houses, it regulates pilotage, it improves harbors, it clears out rivers, as in the case of the Mississippi and the Red River. All these are aids of transportation. Under the same power, it precludes the States from impeding the transportation of merchandise, by State monopolies or otherwise. What distinction in principle is there between these cases, and exchanges, which are, equally with the other things spoken of, a medium or instrument of commerce? Nay, this administration, and the preceding one, have expressly favored plans of Government aid to exchanges, as in the case of the Treasury bank recommended by the late President; in the "humble efforts," so pertinaciously made by him, to improve the currency; and more recently, in the ambitious aspirations of the Post Office Department.

The President refers us to the way these things are done in Europe. I thank him for the illustration. Exchanges, like many other operations covering the whole of Europe, are conducted in part by private houses, having correspondents in each separate country. But, even there, each principal nation has a great chartered bank, which materially aids in the process of exchange. In addition to which, as fortunes accumulate by primogeniture, a rich banking-house lasts generation after generation, and acquires a permanency and generality of credit, which cannot easily be attained by private houses in this country. But, with all this, it is not a system to be received as a model for us. First, exchanges are carried on at greater charge than they would be in this country with a national bank. Then, exchange, either on paper or on specie, is to be paid more frequently than here, owing to the existence of a separate coinage and currency in each country. Nor is this all. This question is but the particular under a general question. The traveller in Europe, in passing over a region of country no larger than the United States, must at every hundred miles exchange one coin or credit for another, just as he must pass inspection or pay duty at numerous frontier custom-houses, have his passport changed or vised continually, and, it may be, make his way through the ranks of hostile armies. Is this a state of things to commend to the imitation of an American? Our Government is a federal union of States previously independent of one another. This union of States had for its primary objects to provide internal peace, and combination of force in foreign war. Subsidiary to these are unity and uniformity of custom-houses and duties, of mails, of domestic intercourse, (as evinced by the disuse of passports,) and of currency, coin, and exchanges, which, as I contend, are all one thing in principle. Our currency consists of 1st, metal, as the constitutional standard of value; 2d, bank-notes, legalized paper, received as a practical currency in local dealings by retail and cash; and, 3d, drafts or bills, either of Government, banks, or individuals, and either local or otherwise, the medium of contracts on time or distance. Now, the constitution contemplates, and the interests of the people require, equality and uniformity of our currency. In proportion as the currency is local only in its circulation, in

proportion as it is of unequal value in different parts of the country, in proportion as the citizen or the merchant is obstructed in this respect,—in the same proportion is the spirit of the constitution infringed. We can get along, as we do now, subject to the necessity of buying specie, or of exchanging bank-notes half a dozen times, in travelling over as many States. We could get along, with different coins, with local banks, with custom-houses on the frontier of each State, and bands of custom-house inspectors, with jealous passports to be vised at every change of stage, as they do in Europe; and with distinct sovereignties and consequent wars, which belong to the same category of facts. But is it wise or well to get on thus? What is it, but simply the old question, Union or not?

THE BANK CONTROVERSY.

The President refers to the controversy on the subject of a national bank, which exists out of doors, and the supposed opinion of a majority of the nation as bearing on the merits of the question. I cannot admit this. If it were a free, spontaneous controversy—a controversy unbiassed by the Executive—it might be entitled to consideration. Who made this controversy? Who got it up? Did the bank? Surely not. It was in no respect for the interest of the bank to come in conflict with the Executive, or to be the subject of party contention. It is a controversy, which the late President drove the country into—a political device, an engine of party in the hands of the administration. It is easy for the administration, possessed of its vast power and patronage, to create a controversy on any point. Is it fair, then, to cite the existence of a controversy, so got up, as evincing the justness of the controversy? Congress passed Mr. Clay's land bill, which would have prevented an accumulation of surplus revenue, and many consequent evils; and the bill was met with the late President's veto. So Congress rechartered the bank; and he vetoed the bill. Congress refused to remove the deposites; and he did it, by a high-handed stretch of arbitrary power. The Senate refused to entertain a bill requiring specie in payment for public lands; he exacted it by the specie circular. Congress rescinded the circular; and he suppressed the rescinding bill. In fact, the people, and Congress representing them, have had all these political agitations forced upon them, like the convulsions of the money market, by the manoeuvres and the violence of the administration. Gentlemen have asked us, in this House, whether we are ready to meet them on the issue of bank or nor bank. I reply, Give me a fair field, and I am ready to meet such an issue. But what is to be expected, on this or any other question, when all the power and popularity of the hero of New Orleans, all the rabid fury of the party presses, all the influence of the paid agents of Government, all the army of office-holders scattered over the country, are employed to lash the passions of the people into phrensy, and to mystify, delude, and alarm the public mind, by heaping every epithet of odium and ribaldry on the head of the bank? And shall the President now appeal to the dispute itself as any evidence of the true sentiments of the people?

THE PRESIDENT'S PLEDGES.

Sir, in conclusion of this part of the message, the President alludes to the pledges he gave, previous to his election, in reference to this subject. He is pledged: I see and lament the fact. It is a misfortune, I think, as well to the country as to himself. There is a mistaken idea prevailing, as to the non-committalism, so called, of the President. I think his opinions, on topics of public controversy, have been as distinctly avowed as those of other statesmen. Nay, I think that, in various ways, he has committed himself more absolutely, upon party questions, than was wise. Perhaps he was impelled to this, by the language of his opponents. He gave pledges in his reply to the North Carolina committee, in his letter to Mr. Williams, in his inaugural address. Doubtless, also, he is yet more deeply pledged to the late President, and to those who surrounded that personage here; as may be inferred from the very significant letters of General Jackson lately published in the Globe.

Other Presidents, also, have come into office, whose opinions were sufficiently known, at least, by their acts, writings, or speeches. The late President, like his successor, gave formal pledges on many points, such as non-re-election, repudiation of party influences, purity of elections, non-interference with Congress, retrenchment and economy, and reform of public abuses; and his administration of public affairs was a standing violation of every one of these pledges, on the faith of which he was made Chief Magistrate. I should be sorry to see Mr. Van Buren thus false to all engagements. But, if General Jackson, after pledging himself to do so many things which were right, forfeited his pledges by going over in each respect to the worse alternative, it would seem that Mr. Van Buren, having pledged himself to do certain things which are wrong, might, with wiser inconsistency, change for the better; in doing which, he would but follow the example of Jefferson and Madison, who, while in office themselves, adopted some of the very measures which in the time of Washington and Adams they were the loudest to condemn. Indeed, men rise to supreme power, not unfrequently, by the help of professions, honestly made, which further experience teaches them are impracticable. Nay, parties occasionally use up their own professions, just as troops do their ammunition, by the very process of victory. For Mr. Van Buren to sign a bill chartering a national bank, would not be a greater change of opinion or policy, than it was for Mr. Madison to do the same thing. And the time may yet come, when he, like Mr. Madison, shall perceive it to be the dictate of honor and of patriotism, to sacrifice his prepossessions in this matter on the altar of his country's good. I will not contend, nor will I admit, as the arguments of many of his partisans on this point would seem to imply, that he is or can be insensible to such exalted considerations.

THE PET BANKS.

Upon the next leading topic of the message, the value of the State banks as fiscal agents of the Federal Government, I have very little to say. The President admits that they have failed to discharge the duties expected of them. General Jackson has denounced them in the harshest terms. It is a family quarrel, in which I will not interfere. I never anticipated that the pet-bank system would succeed; and I have no disposition to triumph over it, now that it has had its trial, and been condemned. There is one thing, however, connected with the subject which deserves explanation, especially as it bears directly on the bill now before the committee.

Allusion is made in the message, much has been imputed out of doors, to an alleged unfavorable operation of the deposite act upon the interests of the deposite banks. Now, I have nothing to say in favor of the mode in which the Secretary of the Treasury executed that law. But it seems to me very strange for those banks, or the administration which adopted them as public depositories, to complain of Congress for calling on them to pay over the deposites into the hands of the States. The argument would amount to this: The deposite banks are good and safe depositories, so long as they are never called upon to pay over; but when that is done, they must fail. Besides, whatever responsibility belongs to the passage of that law, attaches equally to the administration and the opposition. In the Senate, as the journal shows, all but six of the friends of the administration voted for it. In the House it was amended, on motion of Mr. Anthony, of Pennsylvania, a friend of the President's, so as to render it acceptable to the latter; and it was confidently said here at the time, and I have

never seen it denied, that the amendment he offered was prepared by the Attorney General; and when so amended, the bill received the votes of nearly two-thirds of the friends of the administration in the late House. Nay, such a measure had once been expressly recommended to Congress by the Executive. It is too late now to seek to impute the sole responsibility of that law to the opposition.

DIVORCE OF BANK AND STATE.

Entertaining these views, then, that the establishment of a national bank is out of the question, and that the connexion of the Government with the State banks has proved "unsatisfactory"—for with this gentle term does he dismiss them—the President proceeds to recommend the repudiation of all banks as fiscal agents of the Government, and the disuse of bank paper in the dealings of the Treasury. To the latter point I shall refer in the sequel; and I will now consider the former, they being perfectly distinct questions.

The repudiation of banks as fiscal agents of the United States—this is the new scheme, the "untried expedient," the fresh humbug, to be imposed upon the people, under cover of the cry, Divorce of bank and State. This phrase is somewhat ambiguous. It may have different meanings. In the true and legitimate sense of the words, I am for a divorce of bank and State; and I should rejoice to be able to believe that the administration was sincerely for it. I abhor that close association, that marriage, of bank and State which characterized the system of the late deposite banks, those pets of the Government; banks, some of them confessedly the mere tools of the administration; banks, earning the use of the deposites, like the Seventh Ward Bank in New York, by walking on their knees to a despotic Executive. To prevent this marriage, has ever been a favorite object of the whig party throughout the country, North, South, and West. To effect this, always has been, and I solemnly believe is at this hour, if not the favorite purpose of the administration, at any rate the sure tendency of its measures.

Sir, this is no new question. Do we forget that the late President deliberately proposed to Congress the establishment of a national bank founded on the funds of the Treasury, and conducted by the Government? Do we forget that the unpardonable sin of the late United States Bank was its independence of the Government—the refusal of that bank to be married to the administration? This, from beginning to end, was the point of that controversy. Do we forget that afterwards, at a later period, when the regulation of the public deposites was under discussion at the second session of the twenty-third Congress, the friends of the administration, to a man, voted and spoke against this very proposition of a divorce of bank and State, then made by Mr. Gordon, of Virginia? Nay, that they refused even to consider the subject, when Mr. Robertson moved a reference for inquiry concerning it? And now this, the desperate heresy of 1835, is the orthodox doctrine of 1837. I repeat, I am opposed to the union of bank and State; I am in favor of the separation of bank and State, if these words have any meaning which I can comprehend. I would have the Government deal with citizens doing business under the style and firm of a bank as with other citizens; employ them, on proper terms, so long as they are honest and true; otherwise, not. I would have the Government do with its deposites just as I do with mine—selecting a suitable depository, and each contracting fairly with the other for their mutual advantage.

The President infers the inexpediency of employing banks as fiscal agents of the Government from the fact of the existing embarrassments of the banks, and the inconvenience it occasions the Government. But do individuals never fail to pay? The argument assumes this. The case of war is supposed, and the difficulties we should encounter at such a time, under the present state of things. The supposition is not a fortunate one. It is in time of war that a resort to bankers becomes more especially serviceable, not to say necessary, to all Governments, as the President seems to admit in another part of the message. Besides, are not individuals just as much subject to pecuniary involvements in time of war as corporations? It is not three years since the present Secretary of the Treasury put forth an elaborate paper maintaining, and successfully too, that banks are, and always have been, the safest and most trustworthy agents or depositories of the Government.

PRACTICE OF OTHER NATIONS.

Nor is the message very happy in its reference to the practice of other nations in this respect. Ours is the only one, except some of the hard-money military despotisms of Asia and Africa, which ever has a surplus treasure. In most of the countries of Christendom, the revenue is anticipated, and is mortgaged to the bankers, (that is, banks,) by whom the means of daily expenditure are advanced to the Government. A document has been placed on our table, purporting to come from the Treasury, and undertaking to show how the public revenue is collected and kept in England and France. This paper is a sufficiently amusing one, if it is designed to support the recommendations of the message. It disposes of France with an "it is believed;" and I will not stop to argue that. It is more specific in regard to England. After sundry learned citations of old black-letter laws of the Edwards, which recognise the existence of receivers-general, the obvious design of which is to prepare the way for certain snug new offices for the benefit of the faithful, the document brings us at last to the plain English of the whole matter, which is, that, in Great Britain, the revenue is collected, kept, and disbursed by and through the Bank of England, and in Bank of England notes, under regulations of proper accountability of the bank to the exchequer, and (which is quite as material, since the Government is always in debt) corresponding accountability of the exchequer to the bank. For, in England, the Government and the bank both endeavor to consult the welfare of each other, and of their common country. No such preposterous folly ever entered into the head of the English Government as to get up a crusade against the industry, capital, and commerce of the nation itself. And if it were worth while to go into the usages of other nations, I could show that all of them, from France the most enlightened to Turkey the least, entertain much closer association with banks—or bankers, which is the same thing—than I desire to see practised in the United States.

USE OF GOVERNMENT DEPOSITES.

The President proceeds to dwell on the idea that the public deposites are injurious to the banks themselves, and, through them, to the community at large. It is curious to observe, that the facts, upon which he relies to prove this, are the train of evils brought on the country by General Jackson's "humble efforts" to reform the currency. Indeed, the President very candidly declares that the evils he refers to were "strikingly exhibited during the operation of the late deposite system." They were so. But did they exist while the deposites were in the custody of the United States Bank? Never. They are the fruits of the "experiment." Now, I will not concede that the value of banks as the fiscal agents of the Treasury, or the proper disposition of the deposites, or the expediency of allowing them to be discounted on by the banks, or any thing else, is concluded by that "experiment," except it be incompetency of the administration to conduct the affairs of the Government.

I wish to have the Government deposites so placed as to preclude the existence of those evils of Executive favoritism, competition for the deposites, and competing issues for profit, which the President justly reprobates: and the plain and obvious remedy is to establish a well-organized United States bank.

If the use of the Government deposites by the banks were an evil, it would be no reason for discarding the banks. The alternative is a very simple one. You would only have to place the public funds in bank as a special deposite for safe-keeping. But the idea of locking up the treasures of the Government in strong boxes, and keeping so many millions an idle dead capital, is absurd. The bare suggestion of the idea is another example of the facility with which the party now in power can veer about on every question. It is not a year since General Jackson, in his last annual message, speaking of the evils of a large surplus revenue, said: "To retain it in the Treasury, unemployed in any way, is impracticable. It is, besides, against the genius of our free institutions to lock up in vaults the treasure of the nation." And yet this is the very thing, which the administration now propose to do,—that is, "to lock up in vaults the treasure of the nation." The funds in the Treasury, during the interval between their receipt and their disbursement, are the money of the nation, and should be so kept and managed as to be useful to the nation. We tax the people for the necessary service of the country. Why augment that tax, by converting the proceeds into a permanent dead capital? This would be nothing better than the hoarding system of the Barbary States.

UTILITY OF CREDIT.

But, while the President objects to the use of the public deposites as a fund for bank discounts, and would thus renounce one of the clear principles of the credit system, he cannot venture to dispute the value of the system itself. He admits it, in the strongest language. He could not do otherwise. It is the distinguishing feature of civilization and of barbarism,—of liberty and of despotism,—of simple Governments, like the military monarchies of the East, and mixed or republican ones, like those of Christendom.

Doubtless, there are fluctuations incident to the credit-system. They belong to business as such; and they are extensive in proportion as that is extensive. It may be pushed to excess, like every thing else. But to condemn the valuable use, because of the incidental abuse, would be very poor wisdom. Banks are to money-dealings, what shops are to dealings in merchandise. To put down shops, or to put down banks, because of fluctuations of trade, would indicate the same good sense, as to prohibit steamboats, because of occasional explosions. I have read a book, which scrapes together all possible evil that ever was done by, or happened to, or was said of banks; and this book is thrust into every body's hands as a treatise on banking. As well might you make a collection of all the shipwrecks and other disasters of the sea, and present it as a view of maritime commerce. Imperfection belongs to every thing human: and he is but a shallow reasoner, who looks only to the evils, regardless of the advantages, of any of the useful arts and inventions of civilized society.

This great country exists, in all its prosperity, by the combination of character with credit. By the application of credit, were the military means of securing our independence obtained; by it, were the territorial resources of the country developed; our mines, agriculture, commerce, manufactures, our public improvements, all bear testimony to the value of credit.

Looking to the case of individuals, credit is the means by which the poor, but industrious, compete with the rich; and without which, all the business of the country would go into the hands of mere capitalists.

The Government deposites in bank are just as much a proper and useful basis of commercial credits as the deposites of individuals, and for the same reasons; since it would be the extreme of wasteful profusion to hoard up, and keep unproductive, the cash capital, either of individuals or of the Government.

The release of the precious metals from hoards, and so far as may be from circulation—the employment of paper and credit in their stead—in a word, the credit system, which Great Britain and the United States have practised so much more than other countries, is one of the instruments of their superior commercial and general prosperity. Enterprising and cultivated men—free institutions to foster enterprise—credit to supply the capital it needs—and ample territorial resources to act upon—such are the elements of the pre-eminent rapidity of growth and actual greatness of the United States.

SUB-TREASURIES.

Admitting, upon such facts, which the President perforce does, the utility of the credit system, what then is the application he makes of it? Is it not singular, that he steps at once from a statement of the value of the credit system, to the development of a new policy of administration directly adverse to the premises?

Heretofore, the public treasure has not been in the very hands of the Treasurer of the United States, or of any deputy of his. It has been deposited in bank, to be drawn out only by warrants, countersigned, registered, and recorded, and so guarded as to render the actual money wholly inaccessible to the immediate agents of the Treasury. To avoid the evils of bank connexions, the President recommends that this public money, instead of being kept on deposite in bank, shall, for greater safety, be kept in the pockets, chests, or vaults, of collectors, receivers-general, sub-treasurers, or some other denomination of agents of the Treasury. Such, in plain terms, is the scheme.

COMPARATIVE SAFETY.

If the clerks of a great merchant, or other person using a great deal of money, were to make a similar proposal to their employer, that is, a proposal that large sums of cash of his on hand should be kept in their pockets, or chests, instead of being deposited in bank, he would have good reason to suspect their honesty; but if the employer himself were to propose the plan to his clerks, and propose it as a plan of peculiar safety, they would be sure he had lost his senses.

But, demands the President, are bank vaults any stronger than Treasury vaults—are bank agents any honester than Treasury agents?

In reply, 1st. Individuals may abscond with the public money in their pockets; but a bank corporation cannot. *Non est inventus* is a pretty frequent entry on the books of the Treasury Department against the names of individuals intrusted with public money; but I never heard of such an entry against the name of a deposite bank.

2d. There is great difference between the case of money passing at once through the hands of a man, and that of money kept for an indefinite period in his actual custody; especially when there is a stream of it continually coming in, and he can pay over out of the new receipts, so as to conceal for a long time a past defalcation.

3d. A depositer is not dependent on the strength of a bank vault, or the honesty of bank officers. He has the bank, that is, the stockholders, for security. If the bank vault is robbed, or the bank officers commit a fraud, the depositor does not bear the loss; the bank bears it. But if the Government vaults be robbed, or its agents embezzle the money intrusted to them, the deposite is gone, it is absolutely lost to the Government. When the Government deposites in bank, it has all the security of moral honesty, strong vaults, and penal bonds or laws, (for bank officers are usually under bond and are indictable for malfeasance,) which it possibly can have, with sub-treasuries; and it has the additional, and much greater security, of the stock and stockholders of the deposite bank.

4th. There is greater supervision in banks, with directors and stockholders always on the spot, vigilant over their personal interest, and having careful arrangements of inspection; none of which things could by any possibility be, to the same degree, attainable in the sub-Treasury scheme.

5th. Finally, specific facts are full of evidence to corroborate these views. It appears by a document recently sent in from the Secretary of the Treasury, (Executive document No. 29,) that the Government sustained no loss by the use of either of the two United States Banks as fiscal agents; none by any of the State banks until 1816. Since that time there have been some losses by means of State banks. But, in another document, emanating from the same Secretary of the Treasury, being the report to which I have already referred, on the system of keeping the public money, presented to Congress in 1834, (Executive document 1834-'5, No. 27,) I find the following conclusive statement in regard to losses inflicted on the Government by banks:

"It is a singular fact, in praise of this description of public debtors, the selected banks, that there is not now due on deposites, from the whole of them which have ever stopped payment, from the establishment of the constitution to the present moment, a sum much beyond what is now due to the United States from one mercantile firm that stopped payment in 1825 or 1826, and of whom [which] ample security was required, and supposed to be taken, under the responsibility of an oath. If we include the whole present dues to the Government from discredited banks, at all times and of all kinds, whether as depositories or not, and embrace even counterfeit bills, and every other species of unavailing funds in the Treasury, they will not exceed what is due from two such firms."

How, in the face of such facts, can the administration have the face to talk of the superior safety of individuals over banks, as depositories of the public money?

Defaulters.

But, this being a moral, as well as a political question, a question of pecuniary trust, may be illustrated by other facts.

There is a statute, of long standing, which requires that all balances due the Treasury from its agents, and remaining unsettled for three years, shall be reported to Congress annually.

Looking into the latest of these documents, I find, in the Executive document, 1836-'37, No. 22, a list of defaulting paymasters, contractors, and Indian agents reported by the Second Auditor. No. 27, from the Third Auditor, gives one hundred pages of defaulters in army concerns of all sorts, with such edifying entries after their names as *Desperate*, *Non est inventus*, *Nulla bona*, in great abundance. No. 37 contains thirty-seven pages of navy defaulters, with similar annotations affixed to their names. No. 131 gives a list of defaulting custom-houses. No. 144 exhibits the "private concerns"—as these things would be called if attempted to be brought before a committee of investigation—of the land-office receivers. If you entertain a doubt as to the truth of the statements made in the passage quoted from the report of 1834, examine these documents.

But further. There is a document on file showing how this individual responsibility works in the Post Office Department, which professes to be so fully competent to the present exigency. It is Executive Document, 1836-'37, No. 185, exhibiting the balances over-due to that Department. It does not include those which are considered absolutely desperate. Nevertheless, you will find that in the last eight years of the statement there were upwards of 1,600 defaulting deputy postmasters, which, supposing the average number at any given day of that period to be 10,000, is nearly one-sixth part of the whole *personnel* of the Department.

I do not know what sums the Government has lost by its debtors, strictly speaking; that is, individuals owing it money, without standing in any relation of special trust to the Treasury. Judging from the specimens of such cases, referred to by the Secretary in the report of 1834, the amount must be very large; and yet most of these debtors were bound to the Government in bonds with sureties, the mode in which it is supposed the fidelity of the new agents of the Treasury is to be secured.

Again. This question, in many of its relations, is a mere question of insolvency. Which are most likely to be defaulters to the Government, individuals or corporations? That is, which is most liable to insolvency? Now, it is difficult to reckon the number and amount of the cases of individual insolvencies in the United States. There are no means of accurate judgment on this point within my reach. There is on file, however, one very significant document, appertaining to the city of Washington, if that may be taken as any criterion. By the Executive document, 1836-'37, No. 24, it appears there were 2001 commitments for debt in this city during the two preceding years. How many cases of insolvency were there without commitment? Doubtless many. Now compare this evidence of the frequency of individual insolvencies in the United States, with the instances of bank insolvencies, which, as we all know, are relatively so rare as to be a sort of portent in the commercial world. By bank insolvencies, I mean actual insolvencies; not mere suspension of specie payments. But, if that were taken into the view, it would not weaken the force of the argument as to the greater comparative frequency of individual insolvencies: for if the suspension of specie-payments by the banks is insolvency, then the same suspension by the whole community is insolvency on their part; and the relation will continue the same. Besides, no deduction prejudicial to the general solvency, the solvent capacity, either of banks or of individuals, is to be drawn from the occurrence of this all-pervading calamity, brought on the country by the mal-conduct of the administration.

Financial Operations.

The message anticipates facility in the transfer of public money under the new system. It may be so. If it were, it would be a very subordinate consideration, being a mere question of Government convenience. But I doubt the fact of facility, upon the premises assumed by the message. Either the Government will be subject to the continual transportation of specie to and fro under convoy of a body of troops; a conducta as it is called in some of those half-barbarious communities in which I myself have seen Government thus clumsily carrying on the domestic exchanges of the country; which would be the pure, simple, hard-money way of doing the thing, and the proper accompaniment of the specie-currency and boarding system; and which would be perpetually unsettling private business, by forcing specie in one direction or another, contrary to the current of exchanges: or, which is more likely to be the finale of the administration-scheme, the new agents of the Treasury would draw and redraw upon each other, and become a vast organization of exchange-brokers, overshadowing all the business of the country, in other words, a mammoth Treasury bank.

The President refers to the report of the Secretary of the Treasury, for details of the practical working of this plan, under the experiment of it which we have had for the last four months. The administration has dealt in this matter of sub-treasuries, as it did in that of the the deposite banks; it first establishes a system by Treasury edict, and then calls on a supple Congress to ratify the edict. For an administration, which is perpetually disclaiming power, but always usurping it, this course is in true keeping. But there is little in the facts themselves, of which the administration can boast itself. The business of the Treasury has been conducted, during the summer, by means of dishonored drafts—drafts dishonored and protested in the first place, and then sold to the brokers and note-shavers, and, so put in circulation as a currency. Is not this a beautiful illustration of the golden age so long promised us by the

juggle-masters of the administration? Nor, it would seem, is this the device of an accidental necessity merely, adopted by the Treasury, in default of any better legal means; for now, with Congress here assembled, ready to receive, and perhaps to sanction by law, whatever the administration may recommend, it is in affectionate companionship with this very thing, inconvertible Treasury paper, issued for sale on the stock exchange, that we are desired to usher into legal being the new financial system of the Government!

In this part of the message, I remark several incidental suggestions, which seem to me singularly fallacious. For instance, to show the fiscal safety of the new scheme, the President assumes a constant balance in the Treasury of only five millions, and says that this, averaged among all the Treasury agents, will be a small sum to each. To which it is obvious to reply that no such average ever did or can exist in fact. There will be a collector at one port in the custody of millions; one at another, who seldom sees hundreds. Not only is the average a supposititious one; but so likewise is the security. These Treasury agents are not each jointly and severally bound for each other. If they were, there might be force in the suggestion. Furthermore: The average balance he assumes to be only five millions; though, for several years past, it has notoriously been much larger, rising to twenty, thirty, and even forty millions.

Another fallacy. The message argues in favor of the safety of sub-treasuries from the assumed smallness of sums on hand. In the same breath, it continually argues against bank depositories from the assumed largeness of the sums on hand. This is not just reasoning. In comparing the two methods, the same premises of fact should be assumed for each; a sum either large or small; if small, equally safe and harmless in banks; if large, equally dangerous and unsafe in sub-treasuries.

THE POST OFFICE.

It is assumed in the the message, and such is the report of the Postmaster General, that the new system harmonizes fully with the existing organization of the post office, which professes to have conducted its business, during the summer, wholly in "the legal currency of the United States," as it is called. If the President affixes to the expression "legal currency," the meaning I do, so as to embrace in it paper credits—paper of banks, private individuals, and public agents—as well as gold and silver, which are the constitutional standard of value, but in no sense the exclusive "legal currency of the United States," then doubtless he is correctly informed as to the successful conduct of the affairs of the Post Office Department. But if by a "legal currency" he means gold and silver, then I take leave to question the fact. It does not correspond with my own observation. And the committee is aware how distinctly and circumstantially the fact has been denied by one of the principal administration journals of the State of Virginia. Add to which the consideration, that the payments made to the post office consist of small sums in each individual case; which fact distinguishes its dealings from those of any other branch of the Government.

PATRONAGE.

In considering whether the Executive is to gain or to lose patronage by the new system, the President discusses the question mainly on the premises furnished by him by the late vicious deposite bank system. He unfolds the political favoritism, the underhand influences, the deep and wide ramifications of secret power, which characterized that alliance between the Treasury and the selected State banks. I accept his testimony on this point. It is just what the opposition have always alleged, and which used to be as constantly denied by the administration and its friends. Doubtless the President understands the true facts of the case. I concede his premises; but I deny his conclusion. The late deposite bank system is not the alternative. If it were, the question might be not so easy to solve, which were the best course to pursue. I wish, as I have said before, to divorce the Government from the State banks. The marriage was pernicious to both. But I do not wish them to be enemies, each of the other. Give to them proper business relations. Let it not be a connexion of power and patronage on one side, and of wretched dependence on the other. Compare such a state of things with the sub-Treasury scheme, and you have a ready answer to the arguments of the message.

Build up this sub-Treasury system, and you raise over the head of all the money affairs of the country a mighty money-monster, banking—not, like the United States Bank, on a capital of thirty-five millions only, equal to about two millions per annum—but on the sum of thirty millions per annum, that is, on the whole revenue, and all the pecuniary dealings, of the United States—and on a capital incalculable, that is, all the resources of the United States. Would not such a mass of money, so held by the agents of the Treasury, be a great engine of indirect power? It would be the last infatuation, either of blind servility to party, or of self-stultifying one-sidedness of view, not to discern the vast accumulation of power, which this plan would throw into the hands of the Federal Government.

The President does not advert to the facilities of peculation which this plan involves, and the attractions it will offer to the avidity of the thousands of adventurers and pretenders to Executive favor, with which all communities abound.

Nor does he do justice to the ability of the agents of the Treasury to exert their influence, and to apply the public funds to purposes of political corruption. The administration seems to be blessed with a most unsophisticated purity, a single-minded simplicity of heart, in regard to the evil doings of the world, which is particularly remarkable, considering all it has gone through.

Nor does he disclose the multitude of new agents of deposite, transfer, and supervision, which the scheme will require. His argument supposes that the requisite agents will be few, and the cost of them small. To say nothing of the costliness of peculations, I think I can see, in the documents emanating from the Treasury Department, the germs of not a few, and those not uncostly, new offices. Such is the paper which so carefully collates the old English statutes about receivers-general. Such, also, is the sly allusion in the report of the Secretary of the Treasury, to an old paper of Mr. Hamilton, in which—prior to the establishment of the United States Bank, and as a means of aiding the Treasury under the imperfect and experimental state of things which existed in 1790—such receivers-general or supervisory agents of the Treasury are spoken of. It is curious to see this administration, which affects such holy horror of the principles of Mr. Hamilton, recur to him on occasion, as authority for the institution of new offices.

Something has been said as to the mode in which the affairs of the Treasury are conducted in France. It is certainly true, that the French Government employs a greater number of individual agents, in the collection and custody of its revenue, than we do. Such is, and long has been, the fixed policy of the French Government: to associate around itself a vast combination of persons, dependent upon it, as employees in its military or civil service, by and through whom to maintain its power. It is a system of administration, also, greatly centralized in all respects; and emphatically described by the well-known name of *bureaucratie*. Is this a system for the United States?

TREASURY BANK.

Notwithstanding the disclamations of any desire for added patronage, under cover of which this project is introduced to us, and notwithstanding my unwillingness to suspect the President of insincerity in this matter, still I cannot

exclude from my mind the conviction that a bank, a national bank, a national Treasury bank, is "the be all and the end all" of the new experiment. We begin with a large issue of Treasury drafts, having circulation as a currency. We proceed, with yet larger issues of Treasury notes, expressly framed to be a currency. All these have got to be funded hereafter. Ultimately they may be of large amount. They not only constitute in themselves the basis of a Treasury bank; but a sort of introduction to the use of Government paper as the paper medium of the country. Advocates of the new scheme admit that Government paper is to be the alternative and the substitute for bank paper. The sub-treasuries themselves, when they are put in full operation—drawing back and forth on each other, issuing and receiving large sums of money, and still more frequently issuing and receiving one kind or another of paper credit based on the Government deposites—will be a genuine bank in every thing but the name.

The Administration confutes itself.

Before dismissing this part of the message, I cannot forbear to contrast the views, now expressed by the administration and its supporters, and those which the same set of persons avowed heretofore. It will be found they have absolutely changed front, chopped short about as the wind, on all the questions involved in the general subject under discussion. Indirect references to it occur in the official papers of General Jackson, which are, also, very express and very full on the points favorable to banks as Treasury agents. When the repudiation of banks as fiscal agents began to be talked of in some parts of the country, under a sense of alarm created by the deposite-bank system, the objections to the scheme were most pointedly and most ably stated in the principal organ of the administration. Thus it was (truly) said:

"It is as palpable as the sun, that the effect of the scheme would be to bring the public treasure much nearer the actual 'custody and control of the President,' than it is now, and expose it to be plundered by a hundred hands, where one cannot now reach it."

Again:

"Had such a suggestion come from General Jackson, it would have been rung through the Old Dominion with the reiterated falsehoods about the proclamation and the protest, as conclusive proof of all the aspirations which have been charged to the hero of Orleans! 'See, (they would say,) here he wishes to put the public money directly into the palms of his friends and partisans, instead of keeping it on deposite in banks, whence it cannot be drawn, for other than public purposes, without certain detection.' In such a case, we should feel that the people had just cause for alarm, and ought to give their most watchful attention to such an effort to enlarge Executive power, and put in its hands the means of corruption."

I have spoken already of the action of the House upon this very question, when brought into discussion by Mr. Gordon; as also of the report of the Secretary of the Treasury. That report, I repeat, demonstrates the superior fitness of bank corporations as the fiscal agents of Government, to individuals, saying, as the result of the whole matter, that the latter "will probably be found less responsible, safe, convenient, and economical." One or two sentences only as a further specimen of the spirit of that document:

"These circumstances, with the preference in case of failure belonging to depositors and holders of their bills over the stockholders, united with the security, if not priority, given to the Government, render them, in point of safety, generally much superior to individual agents of the United States."

* * * * * *

"It is gratifying to reflect, that the credit given by the Government, whether to bank paper or bank agents, has been accompanied by smaller losses, in the experience under the system of State banks in this country, at their worst period, and under their severest calamities, than any other kind of credit the Government has ever given in relation to its pecuniary transactions."

Indeed, the whole of that paper deserves to be carefully read, and compared with the conclusions, so singularly different, of the Treasury report laid on our table the present session.

And I refer to it, as I do to other official acts, and to the debates and paragraphs of the time, not so much to show the inconsistency of the administration—although this be glaring enough—but rather to fortify my own position, by calling in aid of it arguments, so elaborately deduced and so forcibly expressed, as those which I have cited.

Funds receivable by Government.

I cannot think that, as appears to be implied by the arguments and language of the message, the framers of the constitution, in refusing to insert in it express power to create corporations, had any particular eye to bank paper. It was not bank paper which made up the depreciated currency of the time; but Government paper. There were but three or four banks in all the United States; and their paper was not, in quality or amount, an evil. But the Government paper was an evil. The people well knew, by bitter experience, what to think of continental money, bills of credit, Treasury notes, or whatever else you please to call it—for the substance is one, under all these names. Bank paper was rapidly growing into credit, because of its convertibility into specie, and its consequent superiority to the paper of Government.

Now I do not contend for the receivability of bank paper by the Government, unless it be convertible into specie on demand. If so convertible, it is equally for the convenience of the Government and of the country, that it should be thus receivable at the Treasury. I deny the wisdom of attempting, or the power of maintaining, one currency for the country and another for the Government, in this country—gold for the office-holders, and bank rags, as they are called for every body else. You cannot do it.

The President says that such a discrimination is a measure of restriction, not of favor; that is of restriction, to the public agent, as he further explains. This argument, cercertainly, is a very singular one. Restriction and no favor to the public agent, that he shall receive nothing but gold. Try it, now, and see whether it is a restriction or a favor to be compelled to receive gold in payment of a debt. It is a very unwelcome favor to the debtor to be compelled to pay it. But here is the same fallacy which runs through the message, and which arises from looking at all the circumstances of the times only in the relations in which they affect the interests of the Government.

Government Paper.

The alternative of bank paper, the admitted alternative, the alternative advocated by the friends of the administration, the alternative proposed in the bill before Congress, is Government paper. It seems to be conceded that the golden dreams of the last four years, have vanished before the light of day, and have yielded place to a waking reality of bitter disappointment. We ought not to have, we shall not have, we cannot have, a mere metallic currency. This point is now given up. The foolish pursuit of a specie currency has come to nothing but the total banishment of all specie from circulation as currency. We are to have a paper currency, recognised by the Government of the United States, and employed in its dealings, but it is to be irredeemable Government paper. This is the newest new humbug. The fever fit of gold money has had its day. That of paper money succeeds it.

If the scheme were not too laughably absurd to spend time in arguing about it seriously, if the mischiefs of a

Government paper-money currency had not had an out and out trial both in Europe and America, I might discuss it as a question of political economy. But I will not occupy the time of the committee in this way. I am astounded at the fatuity of any set of men, who can think of such a project. Has Law's Mississippi bubble—have the bills of credit of the colonies—has the continental money of the confederation—have the assignats of the French Republic—imparted no warning lesson to the present generation? It is notoriously, of all the means by which a Government can raise money, the most liable to abuse—of all currencies, the most impossible to maintain conformable to any fixed standard of value. We, in the time of the colonies and of the confederation, did every thing we could do to give to the paper of the Government the qualities of money. Did we succeed? You know that in spite of all Government could do or say to prevent it, our paper money went on perpetually depreciating in value, until a hundred dollars of it would scarce pay for a breakfast. Did the colonies not adopt vigorous means enough to check this depreciation? Well, the French convention did. At the period when that convention governed France, and when it possessed and exercised more power over the lives and fortunes of men than any other Government that ever existed, ancient or modern, it exerted mercilessly the whole of its enormous power to keep the assignats in circulation as money; it did not scruple to apply the guillotine to those who paid or received it for less than par; but it sunk into it its proper worthlessness in defiance of all the efforts of that despotic and remorseless convention. Have we power to enforce the experiment with any better prospects of success?

CURRENCY AND BANK QUESTION.

Amid all the difficulties which environ this question, there are some points which seem to rise up visibly from the surrounding obscurity.

Bank paper, convertible into specie on demand, is the medium between an exclusive gold currency on the one hand, and mere paper money on the other. For three or four years past, they, whose business it is to swing the pendulum of popular agitation, have been pushing it one way, towards a purely metallic currency. That was to go backwards towards the barbarism of uncivilized countries, or ages anterior to civilization; and keeping on in the same direction, we should have gradully reached the iron money of old Sparta, the cowries of Africa, or the wampum-peag of our own Indians. We are now in danger of sweeping over to the opposite extreme, that anarchy of revolutionary phrensy, which sometimes seizes upon the most highly civilized communities.

To make war upon the State banks, *en masse*, is, in its effects and consequences, to make war upon the States and the rights of the States. Whatever doubt there might be as to the power of the States in this particular, provided it were now an open question, is set at rest by the long acquiescence of the whole country in the exercise of the power, and the impossibility of retracing the ground passed over. Mr. Madison bears witness that the difficulties which have since grown up on this point, or rather the facts which involve those difficulties, were not anticipated by the framers of the constitution, and were not provided against. Mr. Van Buren himself, in his letter to Mr. Williams, referring to the point, says: "That matter, so far as relates to the mere question of power, must be regarded as settled in favor of the continued authority of the States." To the same effect is a recent decision of the Supreme Court.

Now, gentlemen of the administration, before you enter upon a conflict with the States, on a question of the rights of the States, and that question of right intimately connected with questions of interest and of power, I counsel you to count well the cost of the struggle. When you buckle with all the banks of all the States, you have an antagonist to deal with very different from the late United States Bank.

Furthermore. The United States Bank was a single corporation, having no allies in State pride or State power, its stockholders, many of them foreigners, and many of its domestic stockholders men of the richer class. Not so with the State banks. The property in them is not, for the greater part, the property of the rich. Certainly it is not in Massachusetts. Having investigated this point for myself, I know and can prove the fact. They are, for the greater part, the property of those not rich, and especially of the earnings of the industrious, the investments of females or other persons desiring safe investments of their small property, and trust funds. As an example of the fact, I give the following exhibit, abstracted not long ago from the books of a State bank:

208	proprietors are men, owning	4,919 shares.
117	are women, in their own right	1,492 "
54	are trustees or guardians	1,342 "
12	are insurance companies	1,413 "
10	are churches and academies	249 "
5	are savings institutions	585 "
406	stockholders.	10,000 shares.

And of these, only 34, holding but 1,551 shares, are in any sense of the term, capitalists. I have another similar exhibit now before me, of the funds of another company, the general result of which is, that of 783 persons interested, all but 59 are either females, guardians, trustees, or persons of small means, by or for whom investment is made on the same principle. I have taken these two corporations at random, and as having nothing peculiar in their character pertinent to this inquiry, except the magnitude of their capitals. I presume that similar facts exist in the composition of such companies in other States.

It would carry me too far to go into an examination of the relations of banks to the business of the community. The fact is apparent. If you couple this with what I have proved of their composition and ownership, I think you will perceive, that you cannot overthrow the bank corporations of the States, without disturbing pretty effectually the whole community. They are inwrought with its entire fabric. It is this circumstance, and not the power of banks, which has occasioned the suspension of specie payments to take place throughout the land, from one end of it to the other, without any conflict or collision between the banks and the people. By destroying the banks, then, you will revolutionize the property of the country; not that of the rich, only or chiefly; but that of the farmer, the mariner, the mechanic, the manufacturer; and in revolutionizing the property of all these, you revolutionize society. Such an upheaving of society from top to bottom, may be very convenient to the idle and the bad, the needy adventurers, who would like to have all the good things of this world thrown into common stock for a general scramble, every Saturday night, because they are either above or beneath a life of labor. But how would it suit the virtuous and the frugal, who compose the great body of the people of this country, and who see themselves gradually rising into competency and respectability by means of honest industry and enterprise?

But banks commit errors—sometimes, frauds—they act from interested motives; they issue too much paper; they do things injurious to the public welfare. That is one side of the facts. But suppose they do. Banks are associated men. Other men, in other relations of life, do wrong. Are we to sweep from the land every thing, in the management of which men err? Is that your rule? If so, what will be left standing? Surely it is mischievous and absurd, to give in thus to a blind recklessness of headlong overthrow.

It cannot be disguised; there is a jacobinal radicalism of temper occasionally running through society, as different from true democracy, as darkness from light. Its obvious tendency is general confusion. What are we to deem of the objects of men, who would put an end to legal indebtedness, abolish institutions of religion, have no protection of life or property by law, and whose warfare against banks is but an item in their general warfare against all good order? And yet such there be at work in society. And will not the same desperado spirit, which strikes at one form of property strike at another? If it ravages the North, will it spare the South? Can law, order, property, be torn down at one end of the country, and stand untouched or unshaken at the other? Will not anarchy in half be anarchy in the whole? It seems to me to become every part of the country, North as well South, and, not least of all, the South, to guard well the conservative elements in the social organization of these United States.

Objects of Legislation.

Mr. Chairman, I have now reached that part of the message in which the President, after giving a particular account of the several objects, he commends to the attention of Congress, proceeds to apologize for the fact that all these objects appertain to the interests of the Government exclusively; or, like the extension of merchants' bonds and of bank debts, are for the relief of the country only accidentally as it were, and in subordination to the administrative convenience of the Treasury Department. To account for his apparent abandonment of the people, in this their hour of trial, the President favors us with a new theory of government as the exposition of his conduct.

In the views of the President on his head, I admit there is some plausibility. Nay, it is due to candor to say, that I cordially agree in some of the general principles he lays down. I am ready to go heart and hand in a fair application of them, herhaps further than he himself.

Ceded Powers.

The Federal Government, the President suggests, is to be confined to the powers ceded to it by the people of the States.

Well,—who proposes to depart beyond these? To be sure, different men entertain different views of the constitution; but no one thinks of infringing it. For instance, some find authority in the constitution for a special bankrupt law aimed at the single heads of the State banks. Others think this a very latitudinarian and questionable reading of the constitution. Again: Some see in the fiscal power, in the commerce-power, in the coin-power, the authority and the duty of Congress to regulate and equalize the currency. Others do not. Again: Most of our eminent public men have at one time or another perceived in the constitution authority for the establishment of a national bank; and then occasionally a season comes, when they cannot find the passages. Again: Some of the straightest of the strict constructionists read the constitution in such a way as to find a clause in it somewhere, giving to any one of the States power to veto an act of Congress; which way of reading it, others think to be a marvellously strong case of extreme latitudinarianism of construction. And so we differ.

Take the case of a national bank. I, for instance, think the constitutional power is conclusively established by the arguments of Alexander Hamilton, of Chief Justice Marshall, and others. I think with Mr. Madison that, supposing there was any good cause of doubt on this point originally, it is just as unwise and unstatesmanlike to revive the question, after we have had two banks, for twenty years each, as it would be to deny the right of Louisiana, Arkansas, and Missouri to be in this Union, although Mr. Jefferson himself thought that the annexation of Louisiana to the United States required an amendment of the constitution. There should be, at some time or in some way, an end of question about these things. We, in this country, in our management of our institutions, too much resemble the child, who, in his tender care of the growth of his corn, dug it up every morning to see what progress it had made during the night. We seem unwilling to give any thing time fairly to take root in the soil.

But, it is objected, there is no expres power in the constitution to create corporations. Very well,—there is no express power to build this edifice in which we are assembled; there is no express power to construct an arsenal or a frigate; there is no express power to establish sub-treasuries; and I suppose if any motion had been made in the convention to insert expressly these, or a thousand other admitted powers which I could instance, it would have been rejected. Indeed, with all due respect to this argument, which has been so much relied on, it seems to me like an insect, to escape the hand that would crush it, only by its smallness. The Government needs certain fiscal agents. Those agents must of course be men acting in concert and associated under some provision of law. Whether they be associated in that form of law called a corporation, or that form of law called sub-treasuries, or that form of law called selected deposite banks, or any other form of law, seems to me to be a mere question of form, totally devoid of material substance. Each of the Executive departments possesses many of the essential qualities of a corporation; especially, if some of the grounds of defence, taken in the recent application for a *mandamus* at law against the Postmaster General, be well taken.

Then, I accept the premises of the President on the point of power. And as I see in the constitution ample power to enable Congress to exert itself beneficially in the present crisis, I wish to have this done.

Equality.

So, also, in regard to the duty of a good Government to observe an equality of legislation, I agree in the premises laid down by the President; I do not admit his conclusions. True, it was not the object of the federal constitution to confer special "favors" on classes or individuals. Nor was it established to inflict *disfavors* on classes or individuals. If "to make men rich" is not a legitimate object of good government, no more is it a legitimate object to make men poor. You shall not elevate classes at the expense of others; nor shall you depress classes for the benefit of others. Let the Government "give security to us all in our lawful pursuits." Let it cease to make war upon the merchants, the bankers, the corporations, the business of the community.

But shall there be no such thing as "specific aid" to the citizen on the part of the Government? Is that a just inference from the doctrine of equal laws? By no means.—Thus, in ordinary cases of justice, the law is to be equal, to all within its purview, but it is a "specific" law for a "specific" set of facts; and the application of the law must of necessity be in any given instance limited or individual, in the very nature of things. So in greater things. Suppose an assault to be made, unconstitutionally, upon the freedom of the press or speech, or upon any given public right. Will you refuse to guard it, because of its being an exigency calling for "specific aid?" All questions of government come up in specific cases. It would be a disastrous crisis, indeed, if it were one of equal universality of evil. Will you not apply specific remedies to specific evils? If not, then it is impossible ever to remedy any given evil. Accordingly, the President himself recommends to Congress measures of "specific aid;" as the extension of custom-house bonds, forbearance to the deposite banks, a bankrupt law for bankers, which last is, it seems to me, one of the most specific of all specific measures. What *labors* at the present time, is the currency, and the business of the country, in its various commercial

relations. Why not apply to the case such remedial legislation, as the particular nature of the subject demands?

NON-INTERFERENCE OF GOVERNMENT.

Once more. I welcome the general idea, that Government should not be over-prone to interfere in the private pursuits of the citizen. One of the mischiefs of the times has been the meddlesome interference of General Jackson in the business of the country, his prurient tampering with the currency under pretext of reforming it. This is the very thing I would prevent. It is one reason why I am against a marriage of bank and state. I wish to have banks the business-agents, not the party-hacks, of the administration. I oppose the sub-Treasury scheme for the same reason. If adopted, it would enable the Government to put up exchange or put down exchange, and to produce fluctuations in the money-market at will. It would place the whole commerce and business of the United States at the arbitrary mercy of the Government. That is a state of things, which I do not wish to see; and I hold the President to his professions and and his pledges on this point.

At the same time, I deny that, because Government is "to avoid every unnecessary interference with the pursuits of the citizen," therefore Government is never to do any thing, or attempt any thing, for the relief or advantage of the people. It has powers given it, for the express purpose of those powers being beneficially exercised.

General Jackson's idea seemed to be, to spare no occasion to deny, dispute, and fritter away the powers of Congress; but he had no scruples in the exercise of power by the Executive. That was his doctrine of constitutional limitations. All the professions of limited powers, made by the late President, were of this description: they were practically applied only to the action of Congress. He had no opinion of Congress-powers; but a very broad one of President-powers. Thus it was that he removed the deposites, and established the State-bank system, by Executive legislation, and then called on Congress to ratify it. That is the way he understood the constitution.

Mr. Van Buren seems, in one respect, to be treading in the same path. He first establishes sub-treasuries, and then calls on Congress to accept and legalize them.

But, whereas General Jackson could never leave meddling with the currency, Mr. Van Buren, it would appear, has adopted a theory the reverse of that of the former, namely, that, in regard to the currency, the Government of the United States and the people of the United States are to have separate and adverse interests. All the anxiety of the administration in the present crisis is for the Government: it has no cares, no thought, it absolutely disavows all powers, in reference to the good of the people.

Each of these opposite courses of policy is wholly unwise, unjust, and pernicious to the public weal. General Jackson was for stretching the finance-powers of the constitution,—*the* EXECUTIVE *finance-powers*,—until they snapped, throwing the country and all its fiscal and business concerns into the most deplorable disorder; whilst its successor, confounded at the spectacle of ruin which surrounds him, proposes to abandon and to repudiate those powers altogether, and to leave the currency and the business-interests of the country to their fate. But the administration will find it impossible to shrink, in this way, like a tortoise, into its shell. It must act. Inaction is, to all practical purposes, action. Government can neither move, nor decline to move, without deeply affecting the interests of the people. The act of Congress rechartering the bank, the veto of that act by the late President, the transfer of the public deposites to the State banks, the Treasury circular, the proposition to divorce bank and state,—all these are in their visible effects upon the business of the country, pertinent illustrations of the impossibility of separating the Government and the people.

THE TRUE ISSUE.

And the question for the people now to decide is, whether their Government is to be active in the perpetuation of mischief only? Potent as it is for evil, shall it be suffered to make itself utterly impotent for good? Shall it, in the hour of public distress and peril, coward-like, slink into a corner, in wilful neglect and abandonment of its public duty? Shall it stand upon its safe elevation, and halloo on to mischief all the furies of rapine and disorder, which the evil times have drawn forth from their lurking-places, refusing meanwhile to stir a step itself for the welfare and happiness of the country, amid the disasters which its own misrule has brought upon us?

Doubtless it is true, as the President suggests, that the country will, in time recover itself. It has elastic and recuperative energies within it, which no power on earth can subdue. Our forests and our fields,—our oceans, lakes, and rivers,—our enterprise, industry, and intelligence,—our free institutions,—the favor of Providence which has never forsaken us,—these are elements of greatness and prosperity, which baffle and defy all the errors and faults of misgovernment. But is it any apology for your striking off my arm, that its bones and muscles are endowed with a natural power to knit together again, and regain their pristine health and strength? Doubtless, the country will recover itself; but, if the recommendations of the message are to be enforced, it has got to recover, not only without aid from the Federal Government, but in spite of the Government.

Will the people sanction such a doctrine? In the concluding paragraph of the message, the President reminds us that we are fresh from the people, that we know their embarrassments, and the relief they need. We do so. We have submitted this question to the arbitrament of the people. We cheerfully abide their decision. We tell you, that North Carolina, Tennessee, Kentucky, Indiana, Rhode Island, Maine, have pronounced judgment on the administration. I congratulate Maine, especially, on her emancipation from the thraldom of degrading assentation to every caprice of the Executive, to which her own peculiar interests have so long been sacrificed. We hail the auspicious omen of the bright star in the East. Maine has rung the knéll of radicalism. Well may she hold up to the eye of her sister States the DIRIGO in her escutcheon. The people have spoken out, and in a voice of thunder, which should be re-echoed by their Representatives in this Hall, until it penetrate into the innermost recesses of the White House. And if the assembled Representatives of the nation do nothing else for the public good in this emergency,—if all the power and influence of the Executive are to be exerted as a drag on the wheels of legislation, to preclude the adoption of any measures of general relief,—this at least we may and we will do; we may and we will enter up an APPEAL to the people, against the conduct now pursued, and the purposes professed, by this administration.

Mr. CUSHING having concluded his remarks—

Mr. RHETT rose, and made an earnest appeal to the committee to take the question on the amendment, so that the bill might be reported to the House. He adverted to the extraordinary range the debate had taken, and thought this particular bill had been discussed long enough.

Mr. MARTIN said he had intended to submit some remarks to the committee upon this bill, but the lateness of the hour, and the evident disposition of the committee to take the question, admonished him to refrain. He should, therefore, content himself then with giving notice of his intention to move to strike out the proviso to the bill, viz: "That the instalment shall remain on deposite with the States until otherwise ordered by law." This motion, though not strictly in order, was entertained by the Chair.

Mr. WILLIAMS, of North Carolina, expressed his dissent to the whole bill, as well as to the amendment. The bill would be a violation of the public faith of the Govern-

ment of the United States, pledged to the individual States to pay this money according to the provisions of the deposite act. That was the ground of the first objection.

If that objection were well founded, did not the amendment of the gentleman from South Carolina [Mr. PICKENS] equally conflict with the principles assumed by the opponents of the bill? The gentleman proposed a postponement of the payment of the last instalment until the first of January, 1839. Now, Mr. W. insisted that if they could postpone the payment of this instalment for one year, they could postpone it indefinitely; and they had just as good a right to postpone it indefinitely, or forever, as to the 1st of January, 1839. This alone would be a sufficient reason for Mr. W's resisting the amendment, although he must confess that, if obliged to take the original bill, or the bill with the amendment, he would, of course, prefer the latter.

The lateness of the hour, and the protracted discussion that had already taken place, prevented him from giving his views at length. He, however, protested against the passage of this bill on behalf of the State he in part represented. He saw no necessity for withholding this instalment, for the allegation that the wants of the Government required it had not been made out to his satisfaction. At all events, if it were so, they might meet the deficit by a greater issue of Treasury notes. If they issued twelve millions of dollars to satisfy merely the wants of the Government, could they not issue twenty millions of dollars to comply with its obligations? He would as soon withhold the appropriations for the army, the navy, or the civil list, as to withhold this payment from the States.

Mr. FILLMORE then obtained the floor, and expressed his wish to submit some remarks, but the lateness of the hour would prevent him.

Mr. CAMBRELENG said that it was not the intention to do more than report this bill to the House to-night. On to-morrow it would come up in the House, when gentleman would have the opportunity of discussing it, if they desired to do so.

Mr. FILLMORE then said it was with extreme reluctance that he ventured to throw himself upon the indulgence of the committee, at that late hour of the day, and after such a protracted debate. But (he continued) it is not my fault, sir, that I address you at this time. I have made every reasonable effort that a modest man could make, for some days, to obtain the floor; and now, for the first time, I have been successful. I am now prepared, sir, notwithstanding the lateness of the hour, to offer what I have to say on this subject, but if the committee prefer to rise, and continue the discussion to-morrow, it will suit me quite as well. For the purpose of testing the sense of the committee on that point, I will cheerfully yield the floor for a motion to rise. [Here a motion was made to rise, which was negatived, and Mr. F. proceeded.] I am content, sir, with the determination of the committee to hear me to-night.

What, then, sir, is the history of this surplus revenue, upon which the bill upon your table is to operate, and which has elicited such a warm discussion? It is this, sir: our revenue had been graduated upon a scale sufficiently large, for many years, to collect from the people, chiefly by duties, a sum which, together with the moneys received from the sale of public lands, not only defrayed all the expenses of Government, but left annually a large surplus to be applied in payment of the national debt. This debt, sir, which, at the adoption of the federal constitution, was upwards of $75,000,000, had by the operation of this system been gradually reduced, so that in 1812, before the commencement of the last war, it was only about $45,000,000. The expenses of that war, sir, again increased this debt, so that in 1816 it was upwards of $127,000,000. A wise forecast had made ample provision for its payment, and year by year it was lessened, until in 1834, when it was finally extinguished.

It was apparent, sir, to all, before this debt was finally liquidated, that when that event did occur, the same system of indirect taxation, which could not suddenly be changed without injury to our manufactures, must throw a large amount of surplus revenue into the Treasury. This money having been thus collected from the people, or being the avails of the public lands, it was thought no more than reasonable, as it was not wanted for Government purposes, to return it again to the people, from whom it had been taken, and whose it was. I shall not now stop, sir, to inquire into the justice or constitutionality of the measure. It was clearly just. The Government had this fund as the agent of the people. I hold, sir, that the Government, in all cases, is but the agent and instrument of the people, constituted to execute their collective will.

To restore this large amount of money to the use of those from whom it had been taken, with as little injury as possible to the country, Congress passed a law on the 26th day of June, 1836, by which it was declared that the Secretary of the Treasury should, on the 1st day of January, 1837, ascertain how much money there was in the Treasury, and deduct from the whole sum thus found $5,000,000, and that the remainder should be deposited with the several States, or such of them as should consent to receive the same, one-fourth on each of the first days of January, April, July, and October, in 1837, upon the conditions prescribed in the act; which were, that the States should keep it safely, and return it again to the United States, in sums not exceeding $10,000 per month from any one State, and so in the like proportion from other States, when wanted for the use of the Government, and demanded by the Secretary of the Treasury. But the Secretary was authorized to draw for $20,000 on giving thirty days' notice. I do not pretend, sir, to give the words of the act verbatim, as I have it not before me, and I only speak from recollection. But this is the substance of the act of Congress.

This, sir, was the proposition on the part of the United States, of the terms upon which they were willing to deposite this money with the States. This, too, was a proposition emanating from the highest, nay, from all the separate departments of this Government. It was pledging the national faith in the most solemn mannner that it could be pledged, by a law which received the assent of both Houses of Congress and the approbation of the President.

The State of New York, sir, by an act of its Legislature passed I think in January, 1837, agreed to accept this proposition made by the United States, and to receive the money, and safely keep and return the same when called for, acording to the terms of said act of Congress; and pledged the faith of the State for the faithful performance of these acts. This, then, constituted the contract or compact between the parties.

The Secretary of the Treasury, as directed by the act of Congress, ascertained on the first day of January last, the amount of money in the Treasury, and after deducting, as he supposed, $5,000,000 from that sum, found there remained to be deposited with the States $37,468,859 97. I say as he "supposed," sir; for it now appears by his late report to this House, that there was $1,670,137 52 in the Treasury, (that is, sir, in the pet banks,) on that day, of which he had received no account. So that, in reality, he reserved $6,670,137 52, instead of $5,000,000, as directed by the act.

Well, sir, the portion of this which belonged to the State of New York by the terms of the compact was $5,352,694 28, three fourths of which has been received by that State; and the bill now on your table proposes to postpone the payment of the remaining $1,338,173 57, to which that State will be entitled on the 1st day of October next, by the terms of the compact.

Now, sir, let it borne in mind that this is one entire con-

tract, in reference to one entire sum of money, and that it has been partially performed. I say, sir, the sum is entire. Although it was to be paid at different times, yet the appropriation was of the entire sum that should be found in the Treasury on a certain day. That sum, when ascertained in the manner prescribed by the act, was the money set apart for this specific purpose. It was in legal intendment as definite and fixed as though the money had then been counted out at the several banks where it was deposited on that day, and laid aside for this object. True, it was to be paid out at different times. But this was to accommodate the banks, and prevent a derangement of the currency, and consequent distress of the community, by calling for too large sums at once.

But, Mr. Chairman, I am opposed to the bill upon your table. I am opposed to it first, sir, on the ground that it is hypocritical and false in its language. The title of the bill is an "act to postpone" the payment of this fourth instalment. This is a false label, sir, to the door through which we are to enter into the mysteries of this bill. But let us look to the bill itself. It declares that the payment of this instalment "shall be postponed until further provision by law." What is this then, sir, but a repeal of so much of the act of 1836 as authorizes the payment of this fourth instalment? It does not merely postpone the payment to a definite time, then to be made without any further legislative action; but postpones it until further "provision by law," that is, until by a new law Congress shall direct this payment to be made. If this bill pass, nothing short of a new law can ever give this money to the States. Then the effect of this bill is to repeal the law of 1836.

Why not say so, then? Why profess to postpone, when you absolutely revoke? Why not call things by their right names? Is there some iniquity in this transaction that it is necessary to conceal? Is it intended to excite expectations among the people that are never to be realized? Sir, I disdain such a course. I will never give my vote for a law that, on its face, bears evidence of fraudulent concealment and hypocritical designs.

I am aware, sir, that an amendment has been offered by the gentleman from South Carolina, [Mr. PICKENS,] that, if adopted, would obviate this objection. But as that amendment is undoubtedly intended to sugar over this nauseous pill, make it a little more palatable to some who loathe it now, and as I should still be opposed to the bill if the amendment were adopted, for reasons which I shall hereafter give, I am inclined to let those who are prepared to swallow any thing, take the dose as it is, and vote against the amendment as well as the bill. If this money be not now paid, I have no idea that the States will ever receive it. Let us have it now, according to the promise, or tell us at once that we have nothing to expect. Do not tantalize us by exciting further hopes that are never to be realized.

But, sir, I am also opposed to the bill for another reason; and that is, that this sudden change of the destiny of near ten millions of dollars is calculated still further to derange the currency and business operations of the country, and add to the accumulated distresses of the community under which they now labor. If there be one truth, above all others, well settled in political economy, it is this: that if you would make a nation prosperous and happy, give them a uniform and unchangeable currency. It is as essential as uniformity and stability in your weights and measures. This currency is the life-blood of the body politic. Its supply should be equal and uniform. Every throb of the heart is felt to the utmost extremities. If the regular flow and pulsation fail, languor and faintness follow; but "overaction," as the President calls it, often produces instantaneous paralysis and prostration. The political empirics have administered dose upon dose, and tried experiment after experiment, until the patient is prostrate and helpless, writhing in agony, and imploring for relief. If ever there was a nation or an individual to whom that famous epitaph was peculiarly appropriate, it is this nation and this administration:

> "I was well; I wished to be better;
> I took physic, and here I am."

I am also opposed to this bill, sir, for another reason. Its object and intent is to violate the plighted faith of this nation. I shall not enter into an examination to see whether the offer on the part of the United States, which was acceded to by the State of New York, in the manner that I have already stated, was or was not a pecuniary contract, according to the strict rules of the common law which might be enforced in a court of justice. This point has been most fully and eloquently discussed by my colleague immediately in front of me, [Mr. SIBLEY.] I could add nothing to what he has said on that subject. It is said that the United States have received no consideration for the promise. But, sir, I am disposed to place this question upon higher grounds. Does it become this nation, or the American Congress to stand here paltering about the redemption of its plighted faith to one of the daughters of this Union on the ground that it has received no consideration for the promise which it made? Has this nation indeed sunk so low, that it takes shelter from its engagements, when it finds it inconvenient to perform them, behind the statute of frauds? The reason why a consideration is required to enforce a contract betweeen individuals does not apply to this case. That is a rule adopted by the courts, to protect the inconsiderate and the unwary from the consequences of their own folly in making hasty promises without consideration. But, sir, even as between individuals, if the manner in which the contract has been made evinces a due degree of deliberation, then the courts will enforce it. If, for instance, the contract be sealed, that is regarded as so solemn an act, and evidences such caution and deliberation, that the courts, by the common law, preclude all inquiry into the consideration, and compel the obligor to perform his contract. This case shows the reason of the rule, and I submit that it has no applicability here. Will gentlemen say that Congress was surprised into this promise? that there was not due deliberation had on the subject? or that the congregated wisdom of this nation requires such a miserable subterfuge as this to justify to its own conscience the violation of its plighted faith? Sir, was not the contract sufficiently solemn? It is among the sacred archives of your nation. It is of the same high and solemn character with your treaties with foreign nations. Nay, if possible, sir, it is still higher and more obligatory upon the nation. A treaty is only sanctioned by the President and Senate. This, sir, has been sealed with the national honor, and attested by the national faith of both branches of Congress and the Executive; and you may call it contract, compact, or treaty, it is clearly a promise by the nation, in the most solemn form that a promise can be made.

Sir, have gentlemen who are in favor of this bill duly reflected upon its nature and consequences? Have they duly considered the value of the national honor? Would any one dare to make a proposition to break our national faith, if it had been pledged to a foreign Power, as it has been to the several States of this Union? I trust not. Then, sir, is the obligation less sacred to the various States of this confederacy, especially when made for the benefit of the people themselves, in reference to their own money? I hope not. But, sir, if we violate our plighted faith here, may we not do it in other cases? Your pension laws, passed for the relief of the war-worn veteran and the hardy mariner, promise to those individuals a mere gratuity. It is the bounty which a generous nation bestows upon its brave defenders. But it has no elements of a pecuniary contract. There is no such reciprocity in those cases, as in this, to

constitute a contract. No promise or service is required from the pensioner as a *quid pro quo* for the bounty which you bestow. But in this case you have required and received the plighted faith of the State of New York to receive this money, keep it safely, and repay it in certain proportions. Would any member of this House have the hardihood to propose a bill to withhold the payment of these pensions and then assign as a reason that there is no valid contract for paying them? I presume not. Sir, there is something of more value to a nation than money. It is untarnished honor—unbroken faith. They should be as spotless as female chastity.

"One false step in vain we may deplore;
We fall like stars that set to rise no more"

The reason why every promise should be performed, is, that it has raised expectations which in justice ought not to be disappointed. The whole business of life is an endless chain of confidence growing out of these promises, express or implied. And frequently the breaking of one link sunders a thousand.

——"Whatever link you strike,
Tenth or tenth thousandth, breaks the chain alike."

Look at its effects, in this case, upon the single State of New York. That State, relying upon the plighted faith of this nation, has gone on and agreed to loan out all this money to citizens throughout the State, giving to each town and ward their ratable proportion. Bonds and mortgages have been taken for the whole amount; and the three-fourths which has been received by the State from this Government, has been paid over to the borrowers, and promised in the shape of certificates given to pay over the remaining fourth on the 1st of October. The State has relied upon the promises of this Government for the money to pay these certificates. Now, sir, unless the money can be raised in some other way by the State, if this be withheld, all these numerous borrowers must be disappointed. Those who have struggled from day to day, and from week to week, to bear up against the pressure of the times, until they could obtain this pittance of relief, are to sink down in utter despair.

But, sir, what is the difference between the promise on the part of the State to loan this money to individuals, and the promise on the part of this Government to deposite this money with the States? A deposite is a loan; and the person with whom the deposite is made becomes the borrower, liable to repay the money according to the terms agreed. This Government, then, has agreed to loan the money to the State of New York; and has taken the bond and mortgage of that State, in the shape of a solemn act of its Legislature, to repay it on certain terms. The State has agreed to loan the same sum to individuals, and has taken their bonds and mortgages for the repayment of the same. Then if this Government can be justified in breaking this agreement, much more will the State of New York be justified in the breach of the agreement to the individual borrowers. The State may not only plead the high example of this nation in the breach of its promise, but may urge, with perfect justice, that the breach of faith by the United States, on which the State had unfortunately relied, had prevented the State from fulfilling its engagements. Will any of my colleagues who now urge a breach of faith on the part of the United States, in withholding this instalment, say that they believe the State of New York will be guilty of a similar breach to the borrowers of this money? I know they will not stain her honor by such an insinuation. Then how can they justify themselves to their God or their country, in lending their votes or their voices to dishonor this nation, in such a manner as would be regarded a reproach and disgrace to the State in which we live? I hope gentlemen will pause and reflect before they finally act.

But, sir, one of my colleagues [Mr. Parker] has attempted to justify this breach of faith on the part of this Government, by saying that the State of New York would sustain no damage, because there was a large amount of money belonging to the canal fund of that State, now on deposite in the banks, drawing an interest to the State of only four or five per cent., and this money could be taken to make up the fourth instalment of the loans to individuals; which would thereby be invested on interest at seven per cent., and the State, instead of being a loser, would be a gainer of two or three per cent. per annum on this money. Sir, this is not a question of damages. It is a question of national honor. It is a question of national faith. Can you measure the value of these by the base standard of dollars and cents?

But, sir, if this statement be true, that this immense treasure belonging to the canal fund in our State has been for years loaned to the banks at four or five per cent. interest, when it could have been loaned to the people on bond and mortgage at seven per cent., then it does not reflect much credit upon the financial skill of those in our own State who have had charge of this fund. But, leaving them to the tender mercies of their friends upon this floor, let us see whether my colleague is correct in his inferences. If his reasoning be correct, the whole sum that has been deposited with the State has been an injury instead of a benefit. This must appear a strange paradox indeed. The State had it from the United States without interest, and loaned it out at seven per cent., thereby making annually upon the whole sum of $5,352,694 the no less sum than $374,688 58, being nearly four times as much as is annually distributed from the State treasury for the support of common schools in that great State, where about 500,000 children are annually educated. I think my honorable colleague, on reviewing his calculation, will see that he has made a slight mistake in arriving at this result, and that it is somewhat better to have money for nothing, than to pay even four or five per cent. for it.

But, sir, if my colleague [Mr. Foster] is right in the construction which he gives to the deposite act of 1836, then it is equally clear, that in no event is this money, if once deposited with the States, to be repaid again to the General Government. I believe that no one ever expected it would be recalled. The money was deemed the property of the citizens of the several States. It had been collected from them in the shape of duties, or was the avails of the public lands. In either case, if not wanted for the uses of the Government, it was deemed just to return it to the people, to whom it belonged. To avoid constitutional objections, the law by which this return was made, was christened "a deposite act," instead of "a distribution act." But, sir, I care not what form or shape it assumes. Do justice—restore the money to whom it belongs; and let it be appropriated to the sacred object of education—an object dear to the heart of every patriot. If we use due economy here our revenue is abundant. If it is to be squandered, the less there is the better for the people.

Let my colleagues who believe in the infallibility of the Argus, listen to an extract which I will read from that paper, and then vote against this bill. Remember that this extract is the honest, unbiased opinion of that oracle of wisdom, in view of an exhausted Treasury, before party prejudice began to operate. It is as follows:

"A remedy for any such contingency may be provided by Congress, by an issue of Treasury notes, or some other expedient measure, that would be less objectionable than any interference with the arrangements made with the States for the disposition of the surplus."

Sir, we are told that this bill should pass, because there is no money in the Treasury to make the payment. This, then, sir, is a distinct admission that your Treasury is bankrupt. Yes, sir, in less than one short year from the time this Government, through all its official organs, and

its hundred presses, was boasting of its wealth and prosperity, with an overflowing Treasury, and no national debt, it now comes like an humble suppliant to the representatives of the people, and says it is bankrupt, and cannot pay. If the Treasury be empty, why pass this law? Will it withhold what you have not got? Will it postpone what does not exist? Our legislation seems to be a work of supererogation. It is making laws for nonenity. But some say we should pass the law as a direction to the Secretary of the Treasury. Why pass it for him? He is not bound to furnish the money, if it does not exist. His duty is discharged if he pays it over when we provide it. But, sir, we have passed one law, distinctly appropriating this identical money then in the Treasury to this object, and directing him to pay it over. Why has he not obeyed that law, and kept the money to be applied to this object? He had no authority to take this and apply it to any other purpose. The act was imperative, that the identical money in the Treasury on the first day of January last should be deposited with the States. I think, sir, instead of attempting to legalize this breach of trust on the part of the Secretary in using this money, not only without law, but against law, we had better institute an inquiry into his conduct for laying his hands upon this sacred treasure, and see if he has any justification.

But is the pretence true, that the money is not in the Treasury? This seems to be a difficult question to answer. I shall not venture into that labyrinth of mysteries—the Secretary's report. The bewildered senses and contradictory reports of those who have attempted to pass through its intricate windings and involutions, admonish me to beware how I venture. No two have been able to agree as to what they saw there. Some saw treasure; others saw nothing but "confusion worse confounded;" and in this state of doubt and uncertainty it becomes us to inquire if there be no collateral aid, by the light of which the mysteries of this report may be unravelled. In the absence of positive proof, let us look at probabilities. The last administration professed to be one of "retrenchment and reform;" and the present Executive has declared that he intends "to follow in the footsteps of his illustrious predecessor." We have, therefore, a right to expect, and the people did expect, economy in both. Have they been deceived? Has this "promise been made to the ear and broken to the hope?" Have these professions, that elevated the present dynasty to power, been hollow and hypocritical? Let us look at the facts, and see how the matter stands, if the Treasury be now bankrupt, as is alleged by those in this House who support the administration.

From a careful examination of the expenses of this Government, for twelve years, that is, from 1819, to 1833, exclusive of the national debt, I find that they averaged about $13,000,000 per year. I give them in tabular form as follows, from the best estimates I can make:

Year.	Expenses of Government.	Whole amount for four years.	Average per year.	Whose administration,
1822	$6,534,394 09			
1823	9,784,154 59			
1824	10,3.8,141 71			
1825	11,490,459 94	$38,137,150 33	$9,534,287 58	Mr. Monroe.
1826	13,062,316 27			
1827	12,653,095 65			
1828	13,296,041 00			
1829	12,659,490 62	$51,670,943 54	$12,917,735 88	Mr. Adams.
1830	13,229,533 33			
1831	13,864,067 90			
1832	16,516,388 77			
1833	22,713,355 11	$66,323,745 11	$16,580,936 28	Gen. Jackson.

Average expenditure, for the whole twelve years, $13,010,903 25.

Now, sir, let us see what money has been received into the Treasury since the 1st day of January, 1835, and then we may form some conjecture whether there is any there now; or, at all events, we and the people may know whether this and the last administration have been economical in the use of the people's money, or whether they have squandered it with a profusion and extravagance never before equalled.

There was received into the Treasury, during the years 1835 and 1836, together with what there was in the Treasury on the 1st day of January, 1835, - $88,461,942 04

And during the first half of the present year - - - - 13,687,182 00

And if we estimate the receipts of the present quarter, ending on the 1st of October, at one third of those for the first half of the present year, they are - 4,562,394 00

Making a total amount of - $106,711,518 04

Deduct from this the amount deposited with the States, being the first three instalments - - - - 28,101,644 90

And it leaves no less than - $78,609,873 14

applicable to the ordinary expenses of Government, which has been poured into your Treasury within two years and three-fourths, averaging nearly $29,000,000 per year. Where is it, sir? The empty vaults of your Treasury echo, where? I will tell you, sir, where it is. It has been wasted, squandered, and profusely lavished upon party favorites and parasites; and the people, from whose hard earnings you collected it, are now to be cheated out of it. Sir, the people will look into this matter. They will scrutinize this unparalleled profligacy of their public servants; and, in making up their minds, they will not forget all that these extravagances have been the bitter fruits of an administration having a large majority in both Houses of Congress, and constantly uttering the hypocritical cry of "retrenchment and reform!"

Sir, there is one more proof that the money is in the Treasury, notwithstanding we are told it is not, by the chairman of the Committee of Ways and Means, [Mr. CAMBRELENG,] which I hope will be entirely satisfactory to him and the administration members of this committee, and that is, the statement of the President himself in his message. I will read it:

"There are now in the Treasury $9,367,214 directed by the act of 23d of June, 1836, to be deposited with the States in October next."

These, sir, are the words of the message itself. To those who credit the veracity of their author I hope they will be satisfactory. They are too explicit to admit of doubt or to require comment.

But, sir, my chief objection to this, and all the other measures recommended in the President's message, and proposed by the Committee of Ways and Means, is, that they hold out no prospect of permanent relief to the country. True, sir, the issuing of Treasury notes, on which you are to borrow money to replenish your exhausted Treasury, may afford a little temporary relief to those who owe the Government, and indirectly to the community; and the extension of time for the payment of the merchants' bonds to the Government will afford present relief to that class of citizens, or enable them "to put off the evil day" a little longer. But these are mere expedients, temporary and partial in their operation, and do not reach the seat of the disease that now afflicts the body politic. That disease, sir, had its origin in the derangement of our currency; and that derangement, in my opinion, was produced by the unwise conduct of this Government. I will not charge this administration with a design to bring all these evils upon us. But I do charge them with an unholy ambition that grasped at power, regardless of the means by which it was attained; with a war upon the United States Bank, for political effect; and with enlisting and arraying against that

institution all the feelings of rivalry and avarice on the part of the State banks, and of jealousy and distrust on the part of the people; and that a consequence of this war has been, all the evils of over-banking, over-trading, and ruinous and gambling speculation described in the message, and the final depreciation and derangement of our currency, and the bankruptcy of the Government and people.

Let me not be misunderstood in what I am about to say. I have never been a particular friend of the United States Bank. I regard it as I do all other banks, as a necessary evil. I have never been its advocate, and am not now. It has gone down to "the tomb of the Capulets;" let it rest in peace. And I should have great doubts of the expediency of establishing a new United States Bank at this time for the relief of the community. I fear that an attempt to put it in operation would rather aggravate than mitigate our sufferings. But on this point it is not necessary to express an opinion. I only allude to it to prevent any improper inference, and that the committee may understand that all I have to say of the United States Bank is as matter of history, and not of opinion, as to its expediency or usefulness at this time. Times have essentially changed; and what might have been proper or useful then, may be wholly improper or useless now. Then, such a bank, with the confidence of the Government and people, might be useful in regulating the currency. Since the war upon that institution, banks have multiplied beyond all former example. To add another at this time, and collect together the requisite specie to put it in operation, would, I fear, add greatly to our present embarrassment. People must learn from actual suffering that it is much more easy to tear down than to build up, to destroy than to create, and to derange than to restore. Ignorance and folly may accomplish the one; wisdom, prudence, and time can alone perform the other.

But, sir, I said I was opposed to these measures because they promised no permanent relief to the country. Why has the President, after witnessing the suffering of this community—after calling us together, as every one supposed, to propose some measure of relief—turned thus coldly away, without recommending any thing to restore a uniform currency? Are the prayers, and tears, and groans, of a whole nation, suffering all the horrors of impending bankruptcy, not worthy of his consideration? Are members of the administration prepared to return and look their constituents in the face, without making one effort for the relief of the country? We of the minority can do nothing. We are powerless. But you have all power. Then why not exert it to bring back the days of prosperity and sunshine that existed before this fatal war upon the currency, and commerce, and business of our country?

Sir, do the President and those who support him, expect to find a justification for the apathy they manifest towards a suffering country, by charging all our distresses to the follies and extravagance of the community, and by carefully concealing every thing which shows that those very follies and that very extravagance, which are held up for universal reprobation in the President's message, had their origin in the wickedness or folly of this Government? So it would seem. The President, after adverting to the distresses and embarrassments of the country in his message, says:

"The history of trade in the United States for the last three or four years affords the most convincing evidence that our present condition is chiefly to be attributed to over action in all the departments of business—an over-action deriving, perhaps, its first impulses from antecedent causes, but stimulated to its destructive consequences by excessive issues of bank paper, and by other facilities for the acquisition and enlargement of credit."

Sir, I agree with him, that excessive issues of bank paper have stimulated to destructive consequences. Of this fact there can be no doubt; and it is a precious confession from the head of that party that for years past has wielded the legislative power of this nation, and also the legislative power of most of the States in this Union, and constantly charged their opponents with being the bank party. I say, sir, this is a precious confession from the head of that party, that banks have been multiplied by this no-bank party, until their "excessive issues have produced destructive consequences." But, sir, if it were decorous to the Chief Magistrate, I would ask if ever such shameless hypocrisy, when exposed, was met by such unblushing impudence.

But, sir, what are those "antecedent causes" that gave the "first impulse to this over-action?" Why are they concealed from the people? They are the true causes of all our sufferings; and, sir, let me tell you, that they had their origin in the war against the United States Bank. That was to be put down; and, to effect that object, and reward the pure patriotism of this no-bank party, new State banks were chartered. Let us look at facts. In 1830, all the banks in the United States were only 320. They have been increased in seven years to 677, and 146 branches, making in all 823 banks!

The capital of all the banks (January 1, 1830) was - - - -	$145,192,268
It has been increased in seven years to -	378,719,168

Add to this the $40,000,000 of surplus revenue that has been bestowed on the pet banks since 1833, when the deposites were removed from the United States Bank, and you have the antecedent causes that stimulated to that over-action, and those destructive consequences, mentioned by the President. And all these, sir, are chiefly chargeable to the dominant party in these United States. They removed these deposites without law, and gave them to the pet banks. They invited these pet banks to extend their accommodations. They have created nearly three times as much banking capital, in the United States, since General Jackson came into office, as all that existed before. Yes, sir, as strange as it may appear, this no-bank party, that has for seven years cried out against the bank monster, until the people trembled for their liberties, have, within the same time, created near three times as much bank capital as all that existed in the United States before. Was there ever such unparalleled hypocrisy?

But, sir, this war against the United States Bank, got up for political effect, regardless of the peace of society or the interests of the country, was made to unite the extremes of society. The more intelligent of the middle class never engaged in it, or were drawn into it, from political associations, with reluctance. It was really a war of the State banks against the United States Bank, got up by artful politicians to elevate Mr. Van Buren to the presidency. They tempted the cupidity of the thousand officers and stockholders interested in these banks, with the bribe of the public deposites and the prospect of destroying a hated rival that kept them in check, and loaned money at six per cent. It was a Shylock feeling of avarice and revenge. On the other hand, all the affiliated presses connected with these State banks cried out against the monster, until the more ignorant part of the community thought their liberties in danger, and joined the strong bank party against the weaker, to put down the United States Bank. Having effected this, and brought the country to the verge of ruin, and overwhelmed these State banks with infamy and disgrace, is it strange that the same unprincipled course should be pursued against them, that has been pursued against the United States Bank? It is what they had a right to expect. It is but "commending the poisoned chalice to their own lips." We may pity their folly; we may condemn the heartless perfidy that first seduced them from their duty, and prostituted them to the vilest purposes of partisan warfare, until their infamy has rendered them useless, and now casts them aside; but we cannot deny that the retributive hand of justice is seen in their sufferings.

Sir, in corroboration of what I have said about this being a war of the State banks against the United States Bank, got up by designing politicians, I will mention a few facts connected with a little secret history on this subject in my own State.

It is known, sir, that we have a peculiar system of banking in the State of New York, called the safety-fund system. It had its origin with Mr. Van Buren, when Governor of that State in 1829. Although he did not claim the merit of an original inventor, yet he adopted it as his own, and recommended it to the Legislature. This system, sir, establishing a community of interest between the banks, and being under the immediate supervision of three bank commissioners, is admirably well calculated for use as a political engine. It was no sooner put in operation, than it was brought to bear upon the Legislature of that State. In 1830 or 1331, while I was honored with a seat in the Legislature of that State, resolutions were introduced into that body against a recharter of the United States Bank. These resolutions, sir, originated with the banks in that State. Not one solitary petition from the people on that subject had been presented to the Legislature. The bank then had three branches in that State: one at New York, one at Utica, and one at Buffalo; and the people were contented with the currency which they furnished. No murmur, no complaint, was heard from the people. But, sir, day by day, as these resolutions were under discussion in that Legislature, the birds of ill-omen, that deal in bank stock, hovered round that hall, and watched the progress of this unholy proceeding with an intense anxiety. But no farmers, no mechanics, were there. They had not been consulted; they took no interest in the proceeding. They had no share at that in this conspiracy of the State banks against their interest. They were delving at their labor, and slumbering in security, while these banks were forging the chains with which they have since bound them. Yes, sir, I was informed, and I believe it, that nightly, during the discussion of those resolutions, their supporters in the Legislature met in conclave, in one of the principal banks in that city, to devise ways and means to carry them through. They were carried. These banks, with the aid of the party screws, proved too powerful for the independence and honesty of that body; and the result was proclaimed as the sense of the people of that great State against the United States Bank. This State bank, sir, had its reward—it shared the spoils. But, sir, my colleague [Mr. FOSTER] has taken occasion to eulogize this safety-fund system. He says it works like a charm. I shall not deny, sir, that it has some good qualities; but I am far from thinking it so charming as my honorable colleague. I doubt not it appears so, sir, to many who share in its golden harvests, and enjoy its exclusive privileges; but to the great majority of the people, who, like myself, deal not in bank stock, but occasionally see or feel the tyranny of these little monsters, the working of this political engine is any thing but charming. Sir, I conceive it had its origin in the foul embraces of political ambition, and cunning, heartless avarice. "It was conceived in sin, and brought forth in iniquity." It has spread its baleful influence over that State, corrupting the fountains of power, and demoralizing the whole community, by the manner in which its privileges have been granted and its stocks distributed. Banks have been granted, and the stocks distributed, to party favorites, as a reward for party services. They have been the mercenary bribe offered to the community to sap the foundations of moral honesty and political integrity. But I will not enter into the disgusting details. As to those who wish to see the workings of this charming system of my colleague, I will refer them to an examination of our State Legislature last winter, and the proceedings of that body upon the report of their committee upon a single bank. I believe the very day on which the report was made, it showed such abominable corruption and abuses, that a bill was introduced to repeal its charter, and, within one or two days, passed through all the forms of legislation in the popular branch without a dissenting vote; and also passed the Senate with but three or four votes against it. Does my honorable colleague think that a system which produces banks like this, works like a charm? But, sir, I perceive that this incestuous connexion between the politics and banks of that State has been festering and corrupting until it is about to fall asunder from its own rottenness. I, for one, have no tears to shed at the dissolution. I only regret that many of these banks, since they were chartered, have passed into the hands of honest and honorable men. I fear that the odium which rests upon this corrupt system, and which, in my opinion, is nowise necessarily connected with banking, will sink the whole, without discrimination. The vengeance of an insulted and oppressed community is terrible and overwhelming in its course. It stops not always to discriminate between the just and the unjust, between the proper use and improper abuse of a particular system; but, in the wild madness of popular fury, they hurl the whole to destruction. I warn them to stay their desolating hands. All sudden changes are dangerous. Let us not destroy, but purify, this odious system. We cannot live without banks and banking. Credit in some shape is indispensable to our prosperity. Were we reduced to a specie circulation, as now proposed by the President, property would not be worth twenty-five per cent. what it now is, and would soon be wholly absorbed by the wealthy capitalists of our country. The debtor part of the community would be utterly ruined. Then let us purge this vile system of its corruptions and abuses, and strip it of its odious monopoly, and open the privilege of banking to all who comply with such prescribed rules of the legislature as secure the bill-holder and public generally from fraud and imposition. I hope, sir, to live to see the day when this shall be done, and the moral pestilence of political banks and banking shall be unknown.

[Mr. F. here went into an examination to show that the pretence in the message, that there had been the same over-banking and over-trading in England as in this country, was not true. He exhibited tables that show the following results:

October 1, 1833, circulation of the Bank of England, - - -	£19,800,000
December 27, 1836, do. do. -	17,300,000
December 28, 1833, circulation of all the banks in England and Wales, -	£27,621,104
June 25, 1836, circulation of all the banks in England and Wales, - -	29,386,196

Mr. F. then spoke of the hostility of the administration to the deposite law, and its attempts, by means of the specie circular and transfer drafts, to oppress the banks, and, through them, the people, and render the law odious; and that the last effort was to declare the Treasury bankrupt, and withhold the funds.

He then exhibited a statement showing that the banks in the State of New York had on

	In circulation.	Specie.	Discounts.
Jan. 1, 1837, -	$24,198,000	$6,557,020	$79,313,188
Sept. 1, 1837, -	13,740,318	2,747,642	59,367,815
Reduc'd in 8 mo.	$10,457,682	$3,809,378	$19,945,373

Sept. 1, 1837, { United States deposites - $728,571
Individual deposites -$15,134,968]

Now, sir, it appears from these facts that the banks in the State of New York, in eight months, have reduced

their discounts one-fourth; their circulation near one-half; and their specie almost two-thirds. The people of that State are literally gasping for breath, like an animal under the exhausted receiver of the experimentalist. And if you pass this bill, you authorize the United States to take all but $2,000,000 of the specie now remaining in that great State, and lock it up in your vaults of this new sub-Treasury system. And you leave the bill-holders and individual depositors of that State with upwards of $25,000,000 due them from the banks, and only $2,000,000 of specie to pay them with.

Sir, however solvent these banks may be, it is impossible that they should ever resume specie payments under circumstances like these. This sub-Treasury scheme, which I regard as the germ of a Treasury bank, will draw the specie from our banks faster than they can collect it. The Post-office now acts as an absorbent of all the small change in the country. Where the edict of the officer at the head of that Department is faithfully executed, all the specie is gathered into the Post-office, paid out to the mail contractors, and by them sold to the brokers, by whom it is sold as a commodity, and shipped out of the country. In this way it daily grows more and more scarce, and has almost ceased to be used as a circulating medium among the people. This sub-Treasury system is calculated to carry out this infamous distinction between the Government and the people—to absorb all the specie for the use of the Government and its favorites, and leave the people to irredeemable bank paper; and this bill, with the bankrupt law recommended by the President, is calculated to take, "peaceably if they can, but forcibly if they must," all the specie from the banks, and hoard it up for the use of the office-holders under this Government. Sir, there are evils between which a man is not bound to choose; he may reject both. And I regard this sub-Treasury system, and the union of the Government with the State banks, as evils of this character. I will not choose; I am opposed to both.

But have my colleagues, who profess to be the guardians of these State banks, who call themselves "conservatives," duly considered the awful precipice upon which we stand in the State of New York? Are you willing, instead of adding $1,300,000 to our circulation in this time of distress, to pass this bill, and thereby not only withhold that, but take from us the $700,000 now there in specie? Recollect that all our safety-fund banks are incorporated under a law that declares that they shall be deemed insolvent, and their charters dissolved by the court of chancery, if they neglect, for ninety days after demand, to redeem any evidence of debt issued by them in specie. The effect of that law has been suspended for one year, and for one year only, from the 11th day of May last. It will then expire by its own limitation, and can then only be renewed by the concurrence of each branch of the Legislature. Is there not much reason to doubt whether this law will be extended? It was passed in a moment of alarm, when the cry of bankruptcy and ruin broke upon the astonished ear of the Legislature like a peal of thunder from a cloudless sky. But they and the people have since had time to reflect. This is a state of things that cannot be endured, and most of the measures here recommended are calculated to aggravate it in a tenfold degree. Men become desperate, and already the deep sea of popular commotion begins to heave its rising billows. I confess I watch its motions with solicitude and alarm. And I have been surprised to find, in the papers of the day, a letter from General Jackson, the former patron and eulogist of these pet banks, speaking of them in the following language:

"The history of the world has never recorded such base treachery and perfidy as has been committed by the deposite banks against the Government, and purely with the view of gratifying Biddle and the Barings, and, by the suspension of specie payments, degrade, embarrass, and ruin, if they could, their own country, for the selfish views of making large profits by throwing out millions of depreciated paper upon the people, selling their specie at large premiums, and buying up their own paper at discounts of from twenty-five to thirty per cent., and now looking forward to be indulged in these speculations for years to come, before they resume specie payments."

But, sir, although I have been surprised to see the foregoing charge, I must confess that I have been more surprised to see it published to the world week after week, and meet with no response or denial from any man on this floor or elsewhere. Are gentlemen conservatives aware of the effect of such a publication upon the popular mind? Let me tell them it bears upon its tainted breath, if false, a charge too foul for honest and honorable men to submit to in silence. It distils into the ignorant and credulous mind a poison more dangerous to the peace of society than foreign invasion or individual treason. And is there no honorable man connected with these institutions, or who stands upon this floor as their guardian, that will deny the foul charge of treachery and perfidy thus made against them? Why this unaccountable silence under a charge so infamous and revolting? Is it the deep contrition of guilt and merited condemnation that has sealed your mouths? or are you transfixed with superstitious horror, and struck with silent awe at the Greatest and Best, who uttered the anathema? Then prostrate yourselves in the dust, and let this mighty Juggernaut roll over you without a groan or a tear. But if there be one independent and honorable man—as I trust in God there are many—let him stand forth and deny this base charge. Let this little band of conservatives upon this floor, if they are fighting for principles, and not for spoils, raise the banner of independence, and meet their destiny like men; otherwise they must soon sink into utter oblivion and merited contempt. Already a black cloud hangs impending over your heads, and its sulphurous fires, lighted up by the midnight torch of locofocoism, will soon burst upon you, more terrible than that storm of fire and brimstone that overwhelmed the devoted cities of Sodom and Gomorrah; and, without independence and firmness, you will go down to your political graves

"Unwept, unhonored, and unsung."

Mr. Fillmore having concluded his remarks—

Mr. BRONSON obtained the floor. He said he was in favor of the amendment of the gentleman from South Carolina, as presenting the bill in a less ojectionable shape: but he should most assuredly protest most sincerely and heartily against the amendment (notice of which had been given by Mr. Martin) which went to strip the bill of the only palatable feature about it.

Mr. B. was assured, from the proof adduced, that there were not available means in the Treasury to meet its liabilities. He also controverted the position of the payment of deposite partaking of the character of a contract between private individuals; there might be some plausibility in the argument, but it was not the proper and right ground to put it upon.

Was there any common ground on which they could meet? He thought there was. That common ground was to take the bill as it originally was, with the amendment of the gentleman from South Carolina, but without the amendment of the gentleman from Alabama. Adopting this, there was a guarantee offered that no portion of the three instalments should be called in till after the expiration of twelve months. The United States said to the States, give up your claim for the fourth instalment, and we will not call back any of the others.

Mr. MARTIN said he should not trouble the committee with the remarks which he had desired to submit upon the bill under consideration, but for the denouncement as "extraordinary" by the gentleman from New York [Mr. Bronson] of the amendment which he had given notice

he would submit, when in order to do so, to the bill before the committee. He had felt it to be is duty to himself to present fully to his constituents his views, as well as the part he should take, upon this measure; but from the great labor which the committee had undergone, the fatigue which all seemed to feel, and to be borne down by, he had been induced, when he gave notice of the amendment which he would offer, to decline then to address the committee, with the hope that some more auspicious occasion would be afforded him of making known those views.

That his amendment might seem extraordinary to those who considered the provisions of the act of June, 1836, when accepted by the States, a contract, which the Government was bound to execute under all circumstances, and to those, too, who claim as a debt from the Government the amount to be deposited—as has been contended by many of the gentlemen who have addressed the committee—did not surprise him. Indeed, when gentlemen can contend, with this act before them, and in defiance of its letter, that it creates an obligation upon this Government to each of the States to pay its proportion of the surplus revenue, no demand that could be made by them, however extravagant, could excite his astonishment. Little did those who were unacquainted with the course of legislation here suspect that, at any time after the passage of the act of 1836, and more especially within so short a time as this, when even, by the terms of the act itself, the time for making the last of the deposites has not arrived, any gentleman on this floor would have the temerity openly to avow that he considered even that which he had received a donation to his State, much less the claim which is here set up to the fourth instalment; and that, too, by some of those who voted for the act of 1836. He said it was known at least to the members of the twenty-fourth Congress, and, as he believed, was understood by the country generally, what were the causes which produced the passage of that act, and the object intended by it. The idea of making a donation of the surplus revenue to the States was not whispered in this hall, if secretly intended by any individual member; and however some may have thought upon the subject, a majority of the members believed that Congress had not the power, under the constitution of the United States, to make such a disposition of it.

Mr. M. said it had turned out in the course of events, of which it was necessary for him now to speak, that a large amount of revenue, over and above the demands of the Government, would be in the Treasury on the 1st of January, 1837. It was thought to be expedient that it should remain there, particularly when it was considered that the resources of the Government would afford an ample fund, from time to time, to meet all its necessary expenditures as they should accrue; to permit so large a sum of money to remain on deposite in the deposite banks; against which, at that time, much complaint was made by those opposed to the then administration, and many charges of bribery and corruption uttered, and a fear expressed of improper interference in the pending election of Chief Magistrate. Many of the friends of the administration, looking impartially at this subject, came to the conclusion that, as profit might arise from the use of this money, which might not be needed by the Government for some time to come; and as, too, by withdrawing it from the deposite banks, would at least silence the complaints upon that score—a circumstance at least desirable—it would be expedient to deposite it with the States in proper proportions, so as to divide equally among the States the benefit of its use, and, at the same time, supposing that it would afford a fund to which we could with certainty resort in any great emergency which might require such an amount of treasure. A doubt, he said, never crossed his mind that it would be looked upon by the States as their own, or that its return would be delayed for one moment after it was needed by the Government; and one of the important effects which he supposed it would have upon the legislation of Congress would be to provide an economical administration of the Government, by bringing our responsibility more nearly home to the people. We well knew that if the tariff was increased, the inquiry would be made by the people, why is this, when you have this surplus? And if the surplus with the States was touched, the people would scrutinize our conduct, and mark our extravagance with its merited rebuke.

Mr. M. said that, by recurring to the history of the act of 1836, it would be obvious that the return of these deposites was looked to by the framers of the act; for, he said, as it passed the Senate, in which it originated, it required the issuance by the States to this Government of stock to the amount of money deposited, which it should be the duty of the Secretary of the Treasury to dispose of, at any time when the money should be necessary to meet the disbursements of the Government—a mode by which the amount could be reimbursed without delay or difficulty; that this feature of the bill was changed, not because it gave too speedy a mode of obtaining the money again, but that it made the Government a dealer in stocks, which was thought objectionable.

Mr. M. said the gentleman from New York [Mr. FILLMORE] had labored to prove that by proper construction of the act of 1836, it would be impossible to obtain a return of the deposites within a very great length of time; contending that not more than two hundred and forty thousand dollars per annum could be demanded even of the State of New York. To put this construction upon that act, Mr. M. said, was to charge the last Congress with imbecility and gross ignorance, to which he could not agree. He said the return of the money was clearly contemplated by the act; and to suppose that so small a sum as that stated by the gentleman was the largest amount for a return of which any State could be called upon, could not be true. Mr. M. said the act limited the call of the Secretary to ten thousand dollars a month from any one State, "without previous notice of thirty days for every additional sum of twenty thousand dollars." Does this provision of the bill limit this demand to any particular time? Is it required that upon any particular day the notice shall be given? or is the demand of this last sum limited in any way whatever? Certainly not. True it is, he said, that the sum of $20,000 could not be drawn under this act, without the notice of thirty days; but, if necessary, and the proper notice was given, that sum could be required upon each day, so long as that amount should remain upon deposite. Mr. M. said that the amendment which he desired to submit was intended to leave the act of 1836 as it was intended to be—a deposite law; that the proviso to the bill under consideration, which was by his amendment proposed to be stricken out, although not expressly, will, in effect, change the act of '36 to that of a distribution law; for, he said, an executive officer would execute a law which it was made his duty to carry into effect. But when it was left to Congress to make a demand upon the States for a return of money to be levied directly upon the people, but little expectation could be indulged that they would do so, under any circumstances: but, under the feeling now manifested, that any other expectation would be more reasonable.

He said that, in addition to his objection to the change, he had still another, and an insuperable one, to this proviso. It does not speak the language which it should; for if the effect which it would have was actually intended, let it speak in plain terms, that our constituents may not be deceived in what we are doing here. There is a covert mode of doing business here, to which he said he would never agree.

Mr. M. said that he was not prepared to say he would vote against the passage of this bill, if the amendment

which he desired should be made should fail; for, from the disposition discovered by a majority here, not only to hold on to that which they have, but to get all they can from the public Treasury, he was disposed to save as much for the Government as he could; and, to do so, it might be necessary to relinquish the three instalments now deposited to secure the last.

Mr. M. said that he had reluctantly detained the committee as long as he had done, and should not trespass upon their patience longer; that they had endured much already in listening to the few remarks touching the measure under consideration which had been made by several gentlemen, and a very great number of remarks upon every other subject that could be thought of by gentlemen upon this floor. He had not gone into the effects which this measure threatened to produce upon the legislation here. All understand its danger, who will reflect upon it for one moment. Settle this policy of distribution upon the country, and the rights of the States will become a thing which has been, but which is now gone forever.

Mr. TILLINGHAST rose, not to enter into the discussion at this unseasonable hour, but to protest in the name of Rhode Island, against any alteration in the terms of the agreement on which the States had received the deposites.

[It was now 11 o'clock.] When Mr. ADAMS inquired whether Mr. MARTIN's amendment was in order?

The CHAIR admitted that it was not strictly so, but was going to assign his reasons for having entertained it, when

Mr. MARTIN withdrew the amendment.

Mr. ADAMS then moved the following as an amendment to the amendment of Mr. PICKENS, viz.

"And all the balances of public moneys due from all the deposite banks are hereby appropriated to the said payment, and no part of them shall be applied to any other payment whatever; and if the portion of the said balances due by the said deposite banks cannot be recovered in time to enable the Treasury to pay the whole of the said deposite with the States, hereby made payable on the 1st of January, 1839, then the instalment of debt from the late Bank of the United States for the stock in that institution held by the United States, payable in October, 1838, is hereby appropriated to make up any insufficiency of the sums recovered from the deposite banks, to complete the said payment of the fourth instalment of the deposite with the States. And if the said sums, so appropriated, should still prove insufficient to complete the said payment, the faith of the United States is hereby pledged that provision shall be made by Congress to complete the same.

Mr. ADAMS said he would offer a few words in explanation of the resolution. The amendment of the gentleman from South Carolina, [Mr. PICKENS,] to limit the postponement to the 1st January, 1839, is very good so far as it goes. Without it I could not vote for the bill; but I wish to add to that amendment. I shall not enter on the discussion of the bill; it has been very fully and ably discussed. Whether the deposite bill of 1836 was technically a contract or not, it is very clear that it was a promise; a promise given, and accepted; and whether it were a contract or not, it is equally binding on both parties. On the part of the United States it provided for the deposite of a specific sum with the States; the sum was to be devided into parts for convenience of payment, but the promise was for the deposite of the whole sum. As to what was afterwards added, that a certain portion might be recalled, on a certain contingency, I keep that out of the case; the contingency has not happened, and I believe it will never happen, in which the Secretary will call upon the States to restore any part of the sum. I take it, the promise on the part of the United States must be fulfilled just as much as if it was a promise to pay a debt; and it cannot be withheld without a violation of the public faith. To prevent an immediate fulfilment, events have occurred which were wholly unforeseen; but the United States are bound, in good faith, to perform the whole as far as they can. A state of things has arisen, in consequence of which the nation is unable to fulfil, to a day, its promise, so far as the fourth instalment of these deposites is concerned. The same circumstances have prevented the deposite banks from paying what is due from them to the Government. I, as one of the Representatives from Massachusetts, am willing to go so far toward modifying the promise, on both sides, as to indulge the United States Government with time, and the deposite banks, also, with time; and to take the time proposed in the amendment of the gentleman from South Carolina. But I wish it, on my own part, and on the part of the State of Massachusetts, to be fully understood, that this is not a repeal or a refusal to make the fourth instalment stipulated, and never shall be. And as the question has been much agitated whether the deposite bill was a contract, I wish a provision inserted in the present bill containing an explicit and positive obligation on the part of the United States. It has so happened that just the same amount of nine millions, as nearly as possible, is due from the deposite banks as constitutes the amount of the fourth instalment of deposites with the States. But, as I suppose, a portion of that amount may not be recovered, to make assurance doubly sure, as far as can reasonably be required, I have inserted a conditional appropriation of the first instalment which will be due from the United States Bank on the stock owned by the United States, (which will be about two millions;) and if that also should fail of being enough, then I propose that the faith of the United States shall be pledged to pay the whole sum.

Mr. JOHNSON, of Maryland, rose and said that he was sorry to see the great excitement which existed in the committee. He regretted still more to see that the majority of the committee were determined to force the question this night, against the repeated remonstrance and wishes of so large and respectable a minority who desired an adjournment. I have been here (said Mr. J.)—not by the Shrewsbury clock, sir, nor by John Randolph's London lever, nor the time-piece over your head, but by as accurate a reckoner of time as either—fifteen hours in this hall; and feel, as I am sure a great many other gentlemen do, great exhaustion. I have twice moved that the committee should rise, and have voted some half dozen times for the like motion. At this "witching hour of night," I should not think of throwing myself upon the indulgence of the committee, if I did not fancy that I saw the ghost of the previous question stalking through this hall. To those gentlemen who voted with me for an adjournment, (said Mr. J.) I feel that I owe an apology for consuming the time of the committee. But to the unrelenting majority I have no explanations to give for the short time I may consume. He had never known, (he said,) in turning his memory back upon the pages of the past, a single case of a heretic, however vile, having been converted at the stake, or the judgment convinced by the application of the faggot. Converts to Christianity had never been made in that way. Nor were political proselytes made by either coercion or starvation. But, Mr. Chairman, (said Mr. J.) in good sooth, if I had the power, I would most unquestionably place those gentlemen who have been instrumental in bringing the distress upon the country upon low diet—yes, sir, upon simple water-gruel—until they come to a manifest repentance of their past transgressions, and promise to reform and sin no more. Such deserve to be punished, but not those who tried to ward off the calamities which are now afflicting the whole nation. Why, he would ask, all this haste and precipitation? Why force the question at this dead hour of the night? Why check full and free discussion? He was not fully prepared to

vote on the amendment just offered by the venerable member from Massachusetts, [Mr. ADAMS.] He wished to examine it more closely. It may be a good and salutary amendment; but if the question is taken this night, he should be forced to vote against it. The President has thought fit to convene Congress in extraordinary session, by his proclamation, upon what he considers matters of grave and weighty concernment to the whole nation. We have arrived at an epoch in the history of our affairs, (said Mr. J.) the most important and deeply interesting that has occurred since the last war with Great Britain. The President has called us here from our homes, at this unusual season, and for what purpose? Will his best friends here say, simply to register our votes *sub silentio*, approving all that he has done, or all that he has recommended, or may think proper to recommend?

Some gentlemen may have come here informed, and prepared to vote at a short notice for any thing recommended—others, perhaps, to oppose every measure recommended; to take messures on credit, and to vote at the word. Such is not my case.

I came here (said Mr. J.) anxious to know what the President would recommend to Congress in this great national emergency; to examine his recommendations closely and impartially, and then to act as one of the representatives of the American people, according to the best lights of my understanding, and the dictates of, I hope, an honorable and candid judgment. In the profound gloom which surrounds us, I want all the light that can be received in directing my course. I want to hear full and free discussion from all sides of this hall. All are not distinguished for eloquence; all are not profoundly schooled in the occult sciences of government and finance. Those who can not be distinguished, may still be useful, and at least, throw some ray of light on the subject before us, however flickering and feeble. I desire every ray to guide my course.

It has been said that the subject under debate, like the Treasury, is, exhausted; and that nothing new, or interesting, or useful, can be further said upon it; that, therefore, the question should be taken, so that members may return home, as most are anxious for an early adjournment. Such views as the latter are narrow and selfish; they are such as can never animate my bosom, or control my course in this House. Why adjourn with the business of the people half done, half neglected? Will economy be effected by it? No, sir, it will not. Will the public interest be promoted by it? No, sir, it will not. If gentlemen are anxious to depart home, either on public or private business of importance, I will cheerfully vote for a leave of absence; but I am unwilling to abandon my post. To relieve the distresses of the country, if it can be done, or, rather, if it will be done by Congress—and it is abundantly in its power to do so—I would be willing to remain here, day and night, until the first Monday of December. But on that subject—the subject of relief—I am constrained to confess, from all I can see, that my fears are stronger than my hopes; my apprehensions preponderate over my wishes,

For one, I cannot agree that this subject is yet exhausted, although it has been elaborated upon with such great power and ability. Nor did I rise to engage in the discussion which has been conducted with so much research by the honorable members who have spoken; but my single purpose was to remonstrate with the majority, who have incarcerated us here all day, and full half of the night already. But, finding myself on the floor almost unconsciously, I will venture, briefly, to say a few words on the bill and the amendments, or rather on the bill under consideration, and the one on your table, which is treading on its heels, which gives the Secretary of the Treasury the power to coin notes (if the term is admissible) to the enormous amount of some ten millions of dollars. They are Siamese twins; and you cannot look at one, without viewing the other. The bill now before the committee is but the first link in the chain of measures which the chairman of the Committee of Ways and Means is determined, if he has the strength, to drag through this House. I am unwilling to disguise the fact, that my original intention was to vote for the amendment offered by my friend from South Carolina, [Mr. PICKENS,] and, if it should fail, then to vote against the bill.

I had been led to believe, from all the documents which I have read, and the speeches I have listened to, that, if this bill were carried, and the fourth instalment (of what has been called, by some, the deposite act; by others, the distribution act) were withheld until the 1st day of January, 1839, as indicated by the amendment, by that time the Treasury could recover its energies, accumulate its resources, meet all its current engagements, and pay to the States the fourth instalment, of some nine millions of dollars, which all have expected to receive, and which has been appropriated in advance to some beneficial purpose, by the most, perhaps by all of them. But in this I have been disappointed. I have been mistaken in believing that, by the passage of this bill alone, with the amendment, the Treasury would be relieved, and that no further aid would be called for from Congress by the Treasury Department to meet its liabilities.

This bill of relief to the Treasury had scarcely been passed by the Senate, before we received another of a most extraordinary nature—a bill to give the Secretary of the Treasury a power the most enormous and the most dangerous ever delegated to one individual, in any constitutional republic, since the creation of the world—the power to make money at his discretion; to specify what interest it shall bear, whether no per cent., one per cent., or six per cent.; and to the amount of ten millions of dollars! Seeing this second and alarming bill reported to the Senate, and to this House by the Committee of Ways and Means, has induced me to vote against the bill now before the committee, and the amendments now pending, and the second bill of the series, and all of like import and character. They all tend to one grand purpose—to give the Executive power, not only over all the revenue of the nation, but upon the credit of the revenue, to borrow money to strew the country with the spurious paper of a grand consolidated Executive bank, that bank to be the instrument of the Executive, to be used at pleasure to control the whole fiscal affairs of the nation. He begged reflecting members to pause before they confided such dangerous powers in the hands of one man.

Mr. J. said that he utterly denied the power of Congress to give to the Secretary of the Treasury the power to issue a spurious, inconvertible paper currency. I utterly deny (said Mr. J.) the power of Congress to authorize the Secretary of the Treasury to place his sign manual to slips of foolscap paper, to be paid or received as money, either from the Government or to the Government; and boldly invite the advocates of that bill to show me where in the constitution they will find such a power given to Congress, which it may transfer to the subordinate officers of the Executive Department, to an officer who is regarded merely as the gray goose-quill of the Executive will. I ask any consistent State rights, anti-bank man to answer the question; not to show precedent, but law—constitutional law and authority. I ask whether Congress has the power to delegate to an agent what it cannot do itself, according to their doctrine? If Congress cannot establish a bank, to issue paper redeemable with specie, how can it authorize the Secretary of the Treasury to be president, director, cashier, teller, clerk, and stockholder, in a vast Government bank, and this Government not having a dollar of gold in its vaults, or only enough to pay the *per diem* of you and me, and some favored few? I go one step further,

and utterly deny the power of the Senate to send us such a bill. Is the bill to authorize the Secretary of the Treasury to issue ten millions in Treasury bank notes, Treasury scrip, Treasury shin-plasters, or Treasury certificates —I am not particular about the name, for I look at the essence, the fact, the substance of things—paper with his name upon it, without one dollar (or, if he had millions, it would not change the principle) of gold to redeem it, to pass for money? I ask the chairman of the Committee of Ways and Means, is not that a bill to raise revenue? It is a revenue measure in the political, financial, the narrow and broad sense of the term. The Treasury is bankrupt; it wants revenue—available, efficient revenue; and hence this bill has been passed by the Senate, and is now on your table. It is in the strictest sense a revenue bill—nothing less, but something more. By the constitution the Senate has no power to originate such a measure. It is expressly inhibited. The constitution says that all bills for raising revenue shall originate in this House I have neither the constitution nor any notes before me, but this committee must be familiar with its provisions. Must we, then, trample on the constitution by treading in the footsteps of the Senate? Mr. J. said he would not dwell on the subject any further at this time; but, with the sentiments which he entertained, he could not vote for the bill next in order from the Senate. In doing this, he said it was not his purpose or wish to embarrass the Executive. I disavow (said Mr. J.) such a purpose, and would freely express my deep regret that the Executive (and I mean the Executive in the constitutional sense of the word, and cannot adopt the modern sense of the word, which calls the Executive Department the Government) is embarrassed. For one, I am willing to co-operate in a constitutional plan of relief.

Is the Treasury of the United States really bankrupt, as has been said so often on this floor, and has never been denied? Then let the Committee of Ways and Means recommend what the constitution gives Congress the power to do—to create a loan. The constitution is explicit; it says that Congress shall have power to borrow money on the credit of the United States. Then let us be manly, and look this question full in the face, and meet it fairly; I am unwilling to blink it. If the Treasury is bankrupt, and cannot get along without our aid, let us not violate the constitution, when there is a legal mode of giving relief. I regard it a violation of the letter and the spirit of the constitution when you give, or attempt to give, to the wayward discretion of the Secretary of the Treasury, simply and alone, the power which goes to the very foundation of Government, and which is the highest attribute of sovereignty—the power of creating and regulating money. In my humble judgment, only the high and transcendental power of Congress is adequate to the exercise of such a prerogative. It is one which it can neither part with, nor transfer. Let us, Mr. Chairman, borrow the money at once, to meet the promises and engagements of the Government, and all its current expenses. If to do this, it should require ten millions of dollars, I will vote for such a bill; if it should require fifteen—yes, sir, if it should require twenty millions, I will vote for such a measure, and pledge myself this night to do so. Nor would I be afraid to return to my high-minded and honorable constituents, and tell them that I suggested it; that I gave my vote cheerfully, and with pleasure. Such a vote I would give upon *principle;* upon the *express*, not constructive power, given in the constitution. But, more than this; I would vote for such a measure upon policy as well as principle. I have the confidence to believe that I can demonstrate to an unbiassed mind the high utility of such a measure; its great advantage in giving fuller relief to the country than the plan now proposed. I will take this occasion, however, to remark, and I will not disguise the fact, that the only plan which can, in my humble judgment, relieve both the people and the Executive, bring about in its consequences specie payments by the solvent banks, equalise exchanges, and restore confidence and a convertible currency, is a national bank, guarded and restricted in its charter. But that subject I will not now discuss; for I am constrained to confine my remarks to what I believe to be a choice of evils—the plan recommended by the Committee of Ways and Means, and the plan of relief which I have suggested; and I have suggested it with the full consciousness that it will not meet with favor, by either the Committee of Ways and Means or this Committee of the Whole on the state of the Union. If you withhold the fourth instalment, to aid, as you say, the Treasury, as indicated, you only embarrass the States, and thereby embarrass the people of the States. If you authorize the Secretary of the Treasury to issue Treasury notes, without interest, they at once become a spurious currency, which cannot be converted into specie, and at once depreciate in the hands of the holders, whether it be the Government or individuals, and at once cease to circulate; or, if they circulate, they will do it but tardily, and always to the loss of the receiver. If the Secretary of the Treasury issues them, bearing six per cent. interest, they at once become more valuable than gold and silver; and, as soon as thrown into circulation, they will be bought up by rich capitalists, and held until they are due and redeemable by Government. And, in this way, they will be withdrawn from circulation, unless at an exorbitant premium; for it is plain to my mind, that moneyed men, who have large deposites in banks, will purchase these Treasury notes or certificates, thereby withdrawing their deposites from banks, and, in that way, they will diminish the banks' ability to discount, and give relief to the public; whilst, at the same time, the drafts will be locked up, bearing an interest of six per cent., to be used only for presentation at their maturity. There is still another view which has not been taken in this discussion, which I will take a moment longer, whilst I am on the floor, in presenting to the consideration of the committee. I will premise by asking you, Mr. Chairman, for what purpose have we been assembled here? To give relief to the Executive, or to give relief to the people? or to give relief to both the Executive and the people? If we read, as I have attentively read, the ingenious message of the President, it is to give relief to the Executive. If we read the enormous budget of near a hundred pages of the Secretary of the Treasury, it is to give relief to the Executive. If we read the bills reported by the Committee of Ways and Means, it is to give relief to the Executive branch of the Government, and to that alone. But, Mr. Chairman, as a representative of the people, I will respectfully listen to, but I am not to be instructed in my duties to my constituents and to the nation, by either the President, the Secretary of the Treasury, or the Committee of Ways and Means of this House. I hope that I have higher and more responsible duties to discharge. I feel that I have grave and important obligations to fulfil to the people as well as to the Government. I came here to give relief, as far as my vote would have influence, to the people as well as to the Government; yes, sir, to give relief to both. Will the bills reported give relief to both? I answer, unhesitatingly, no; they will not.

Your Treasury notes (if you pass the bill on your table) may give some temporary relief to the Government and to the mercantile interests, but they will give little or no relief to the people. Their denomination and their inconvertibility will preclude their circulation among the people. Their circle will be limited from the Treasury to the custom-house, from the custom-house to the Treasury. The periphery of their circulation will not be more extended. They will never wander into the interior of the country. I am for giving the merchants relief as far as practicable. But, Mr. Chairman, I represent not a mercantile, but an agricultural people. Not a constituent that I have, will

ever see, or possess, one of the Treasury notes. Then how will this spurious Treasury bank paper bring gold or silver into the pockets of the farmers and mechanics of the interior? The hope is delusive, and experience will prove it. A hue and cry is raised here and everywhere against the banks, because they will not pay their liabilities in gold and silver. And the very Government which wishes to see a universal bankrupt law created, and recommends it—one has already been reported for this devoted ten miles square, which is regarded by abolitionists and anti-bank men a fit crucible in which all crude experiments are to be tested—to destroy the banks for not meeting the demands against them in specie, is itself anxious (if the bill should pass) to pay its debts in inconvertible Treasury bank paper. I ask, in all candor, is there either principle or consistency in such a course, to say nothing of fair dealing and honesty? How much better, then, would it be to meet at once the crisis fairly, openly, honestly; and unhesitatingly say that we go for a measure to create a loan, as the Constitution recognises, nay, requires, in all such cases—a loan, sir, that, whilst it harmonizes with the constitution, will effect some real and useful benefits. The balance of trade is now against us. We owe a foreign debt, which must be paid. It must be paid in money, in produce, or by Treasury notes, if they are as good as specie in the foreign stock and mony market. If the Treasury notes depart, then their utility at home is in a great degree lost. If your specie departs, the banks cannot redeem their notes. The vacuum here will be filled by a depreciated currency. But suppose you effect a foreign loan, upon Government stock, at four or five per cent. interest, redeemable in five or seven years; it will sell at a premium. You can at once create a sinking fund to meet it at maturity. You can import specie, or drafts, as you may prefer. The exchange will be equalized—confidence restored; and before the time of redemption rolls round, our languid energies will have revived; the balance of trade will be with us, rather than against us; and the debt will be paid off, without one cent of additional taxation. The money you borrow you can pay in kind to those to whom you are indebted; it will find its way to the pockets of the people, and give confidence and prosperity to the drooping energies of the nation. The gentleman from South Carolina [Mr. PICKENS] said that he was opposed to a loan, because it would create a debt, and will require an increase of tariff duty to meet it. Let me ask this House, what is the difference betwen a foreign and a domestic debt—a debt to A, or a debt to B? If the bill on your table passes, authorizing the Secretary of the Treasury to issue Treasury notes—and it provides BLANK THOUSANDS for clerks, plates, engraving and printing, boxes, and the whole peraphernalia of a regular banking operation, to the amount of ten millions of dollars—will it not be a national debt, in every sense of the term? Will not the nation have to redeem the notes which it authorizes the Secretary to issue? Then, by the bill on your table, you are determined to have a national debt, and one, in my contemplation, of the very worst character. I differ with that gentleman in his conclusion, that, by creating either a domestic or a foreign debt, we must resort to an increase of duties to liquidate it. Last year the importations were excessive. I will not go into the causes at this time, and at this late hour; but I will say that the Government is not entirely faultless. But this is not a time to criminate.

This year the importations amount, from the best advices I have been able to receive from the most experienced and intelligent merchants, to about ten per cent. of the amount of last year. Every foreign paper informs us that many of the factories in England have had to close, in consequence of the countermanding of American orders, or the withholding of annual orders from American merchants. The crop of cotton now being secured, will amount, from the best information I can procure from the most intelligent planters, to about eighty millions of dollars. The crop of tobacco is better this year than last, and bears rather a better price. Last winter, I find by the report of the collector in the city of New York, that in one single month there were imported, into that city alone, two millions of bushels of wheat and rye. This year the crop of wheat is better than it was last, though not so in Maryland, which will be sufficient for the domestic consumption; which will save the nation about eight or ten millions of dollars in the article of bread stuffs. From these facts, and such causes, we may expect that the balance of trade will be in our favor next year; and in three years at farthest, the revenue of the Government would be abundant to meet all expenses, and to redeem its stock, whether sold at home or abroad. I am as much opposed to an increase of the tariff as my friend from South Carolina [Mr. PICKENS,] or his able colleague [Mr. THOMPSON,] who favored the House the other day with a speech replete with ability and wisdom.

Then, sir, I say, in conclusion, that I am compelled, both from principle and expediency, to vote against these financial schemes of the Committee of Ways and Means, because I believe they will not realize the hopes of the committee, and will fail to relieve the people in their present state of embarrassment and incertitude. And I will not vote for any measure that I am convinced will prove ineffectual. I would sooner see the old experiment repeated upon the almost exhausted system, than to see a new one tried.

I was a member of what has been as truly as it has been technically called the panic session. I then voted against what was called the experiment. I approve my course, and feel well convinced in my mind that I shall in future time have no cause to regret the course which I have laid down for my guidance, to vote against all untried experiments. I want faith. We must go back to the old well-beaten path of Washington and Madison, and tread in their cautious and well-known footsteps. Then we will have a uniform and convertible currency; and I fear, in deference to the views of many distinguished gentlemen in this House who think otherwise, that then, and only then, will such a consummation be effected. I hope that my apprehensions, if these measures under advisement shall pass, will not be realized. I hope so, on account of constituents who have so often and so generously supported me. I fondly hope so on account of the nation at large, whose present and future prosperity is so deeply implicated. And, in conclusion, I beg the members of the committee to accept the tender of my acknowledgments for the kind attention they have manifested since I have had the honor of claiming their indulgence.

Mr. RHETT again appealed to the committee to take the question. He was willing to sit there as long as any one, but it should be borne in mind that they had other duties to perform, for which the people had sent them there. Speak they must, speak as long as it was necessary to inform their minds upon the subject; but when their minds were made up, they should act. The Senate had disposed of this question in one morning. We had been debating it a whole week, with late sessions, and had been in session twenty-one days, without acting on one single question on which they had commenced. Was this right? Was it not time to do something, and not be wasting the people's money? Surely it was not worth while to be sitting there after every man's mind was made up. He meant no discourtesy to the gentleman who last addressed the House, but even he had distinctly declared that he had positively made up his mind, and intended to vote both against the bill and the amendment.

Mr. POPE rose at a late hour, and remarked that he did not design, at this late hour, to discuss at large the merits of this bill, but to express, in the most positive manner, his hostility to its passage. He deemed it a violation

of a solemn contract, or promise, or assurance—call it what you please—of the United States to the States, if they would accept a deposite of a portion of the public money, to be recalled in moderate portions, as prescribed by the act. The States had accepted the proposal, and had used and anticipated the fund as contemplated by the act by the strongest implication. Much of this fund, paid and promised, had been embarked in public improvements, the progress of which would be arrested by the passage of this bill, and thousands thrown out of employment. Gentlemen ought to bear in mind that the States and people of the States compose this great nation, and to disappoint their just expectations, or to embarrass their business operations, was not justified by sound policy, justice, or good faith; and he therefore must hope and insist that this House will not pass the bill.

Mr. CHAMBERS, of Kentucky, said if gentlemen would insist on these night sessions, they must submit to have a speech inflicted on them. It was his determination to address the committee at some time, and, as they preferred to sit in the night, he would let them have it now. He then commenced a speech against the bill, which he did not conclude until half past 12.

Mr. UNDERWOOD remonstrated against an attempt to compel the committee into action on questions so important as those involved in the amendments moved and suggested to the bill, against its wishes, and while unprepared. These violent courses never ended in any thing good. He moved that the committee rise.

The CHAIR counted the votes, and reported the ayes to be 84, and the noes 84, and he himself voting in the negative, he pronounced the motion to be lost.

Mr. MERCER renewed the motion.

Tellers were demanded; the count was renewed, and resulted ayes 90, noes 89.

So at length, at about twenty minutes before one o'clock in the morning, the committee rose; and

The House adjourned.

Tuesday, September 26.

It being discovered that no quorum was present, Mr. CHAMBERS, of Kentucky, moved a call of the House. He wished to see how many of those members who had insisted on a night session were in their seats this morning at the hour of meeting.

The call was ordered, and had proceeded some time; when the House being pretty full, it was arrested by a vote of the House.

Mr. DUNCAN wished the call to proceed, that it might appear that as many of those who desired a night session were on the ground as of those who wanted to adjourn at four o'clock in the afternoon.

Mr. EWING renewed his request to offer his resolution, and it being again objected to, he moved that the rules be suspended to enable him to offer it.

Mr. WILLIAMS, of North Carolina, demanded the yeas and nays on this motion, and they were ordered accordingly, and being taken, resulted as follows: Yeas 97, nays 76. It requiring two-thirds of the House to suspend the rules, Mr. Ewing's motion to that effect was not agreed to.

Petitions were then called, and numerous memorials were presented against the annexation of Texas, in favor of abolition, and others praying for the establishment of a national bank.

NATIONAL BANK.

The House proceeded to the unfinished business of the morning, which was the consideration of the resolution reported from the Committee of Ways and Means, declaring that it is inexpedient to charter a national bank.

Mr. REED, who was entitled to the floor, addressed the House on the subject. He thought the resolution submitted by the chairman of the Committee of Ways and Means was extraordinary; and the speech of that gentleman on yesterday still more extraordinary. The resolution was, that it was inexpedient to establish a national bank. If it had been that it was inexpedient to legislate on the subject of a national bank at the present session, it might have been reasonable, for every body knew that there was not time at this session to go fully into that question. But the gentleman from New York had reported a naked resolution of a committee, and then called upon the House to adopt it without debate, excepting that the chairman himself took occasion to tell the gentleman from Kentucky, [Mr. Chambers,] that a dark cloud was hanging over the friends of a national bank. It appeared to him as astonishing that this question should be presented to the House in this way. Was it intended by it to present opinions to the country in advance, before it was ascertained that a national bank might be desired by the people, and thus endeavor to forestall public opinion? It appeared to him that it was getting to be the custom of the times to present opinions in advance. Former Presidents had consulted their cabinets in relation to great matters like this, and endeavored to ascertain the wishes of the people of the country in relation thereto; but in these days, the opinions of the President were thrown out in advance; and he could not see the object of this, unless it was to preclude discussion, and bring Congress to be a mere register of the edicts of the President. He desired to offer an amendment, that it was inexpedient to legislate on the subject of a national bank at the present session of Congress, but he presumed if he submitted it, that it would be cut off by the previous question. If we were to be called upon to vote on this question, we ought to have all the information and light on the subject which could be obtained. It was not his intention to present argument for or against a national bank at present, but he protested against taking opinions and recording votes of gentlemen in advance, without argument, and without information. He therefore moved to postpone this resolution until the first Monday in December next, when he should be able to meet the chairman of the Committee of Ways and Means on this subject, and he hoped the gentleman would then be able to support it in a better manner than by saying merely that a dark cloud was hanging over the prospects of the friends of a national bank.

Mr. WISE then obtained the floor, but gave way to

Mr. SERGEANT, who addressed the House as follows:

Mr. Speaker: As a member of the Committee of Ways and Means, it seems to me that I am called upon to state to the House how I stand personally in regard to this resolution. I was not present in the committee when this report was agreed upon. I was prevented by indisposition from attending the meeting of the committee, and I have likewise been prevented by the same cause from taking any part in the important debates which have been going on in this House for some days past.

Sir, I never did, and, unless new light should break in upon me, I never can, as a citizen of the United States, concur in the opinion promulgated in this resolution. If I entertained a doubt on the subject, I should still hesitate about the propriety of adopting, or even bringing it up for consideration at the present time. I should do this partly for the reason assigned by the member from Massachusetts, [Mr. Reed,] that it is a great systematic measure on which I see no good cause why any man, and especially those who are to act here on behalf of the people for two years to come, should be called upon, beforehand, when no practical question is pending, to express an opinion. The safest course will be to reserve our opinions until the time comes for action. Deliberation will then precede action; and action will be, as it should be, guided and directed by a full exhibition of the lights which we

may receive from further experience. I ask the members of this House, with the exception of those who entertain constitutional scruples, (if any there be,) whether they are prepared now to say, that if, within the next two years, it should be made manifest that nothing less than a bank will restore the nation to a state of steady prosperity, they will vote at the end of that period against a national bank? Are they prepared to say, that if they can be satisfied that a bank can be advantageously employed by the Government of the United States, that it will be an effectual, and the only effectual mean that can be resorted to for the purpose of restoring order;—are they, I ask, prepared now to say that they will, notwithstanding, vote against it *then?* This would be a rash expression of opinion. But it is wholly unnecessary. The proposition of the gentleman from Massachusetts, [Mr. REED,] to postpone the further consideration of the subject until December next, points out a safe and discreet course.

For what, sir, has Congress been called together? It was understood that the collective wisdom of the representatives of the people of the United States had been convoked for the purpose of administering relief, if it could be administered, to the existing distresses of the country. Every one has regarded the summons hither as an invitation to remain but for a short time; and the chairman of the Committee of Ways and Means [Mr. CAMBRELENG] has continually been informing us, up to this day, that there is but a short time for us to be here; and the general impression of the members themselves appears to be, that nothing is now to be disposed of that cannot be decided with very contracted deliberation. And yet this House, at this early period of its session, only three weeks from the day on which the subject matters on which they were called together were propounded to their consideration by the Executive message, finds itself, day after day, sitting till a late hour of the night, to despatch the few measures recommended to its attention. Sir, is this a time to discuss a question of such serious bearing and consequences as that embodied in this resolution?

What is the nature of the distress existing in the country, and what condition of affairs has led to the convocation of this Congress?

The two great interests of this country which are primarily and deeply affected by the present situation of things, are interests which no man can disregard; and it so happens, that these two interests cannot be agitated and disturbed, at all events together, without agitating and disturbing every man, woman, and child, in the United States. The truth is, that an awful winter is before us; thousands of those who depend on their daily labor for their daily bread—for the roof which shelters, and the clothing which protects them from the inclemency of the season—are to be deplorably affected by the agitation which has commenced with these two great interests,—I mean, sir, the planting and commercial interests of this country. If you look at these two interests, (for so I shall call them for my present purpose,) how is one better off at present than the other, or less affected than the other? We look to them as different, because they are in appearance divided, and seem to be in different hands. But the planting interest is itself a commercial interest; and for this plain reason, that it produces a great staple commodity, which is the basis of your foreign commerce. If ever the time should come that the planter shall choose to be his own merchant, he is at liberty to be so; and if he finds it to his advantage, no doubt he will be so; but still the planter and the merchant, even if both were combined in one, would still have the two great interests to represent as they now have—the planting and commercial interests.

And, sir, what is the commercial interest of this country? When we talk about merchants, gentlemen are apt to form some general idea of a class of men confined within a very limited space. Whether they mean exporters and importers, residents of our large towns, or embrace dealers in articles imported, still they have some narrow limit to their conception. But this is an error. It falls far short of the truth. It by no means conveys any just or accurate idea of the magnitude of the class, nor of the vast importance of the interest. Every man who deals is, in some sense, a merchant, and a part of the great community of trade. What, then, is the commercial interest of the country? It is spread over the whole nation, and you, its agents, are in communication with every living being. You may have your small dealers in the country, who, to accommodate their immediate neighbors, resort to barter—take in what produce they want, and give in exchange what will suit their customers. But they still are merchants, and are brought by their traffic into contact with the other. And your great merchant, whom you call by that name, he who imports from distant regions what your wants or convenience require, is but one of a class of men who are engaged in the great business of purchase and supply, by whose agency every thing circulates that is circulated, and by whose instrumentality it is that nations attain to that perfection which gives the highest motive and the surest reward to productive labor. Its embarrassments of a general nature, such as now exist, are equally pervading. They are felt throughout. They are felt, too, with the greatest force and intensity in the smaller channels. Disorder and derange, when you will and where you will, this great process of circulation, as it is now disordered and deranged, by mismanagement and wrong measures relating to the commercial interests, the final, if not the greatest evil, falls on those who come in contact with the smallest of the dealers.

Mr. Speaker, it is the misfortune of public affairs in this country, that every thing resolves itself into party, and the war of party. Am I in error here? Surely not. It is not only the war of party against party, but worse; war against things which are common property, and actually beneficial to all of us—war against names. We have had a war against the Bank of the United States; we have had a war against the merchants. We have now a war of the United States against banks; and here we are invited to take upon ourselves the odium which it is supposed may be brought on those who can be designated as being in favor of the banks. What is the consequence? I ask the member from Virginia [Mr. GARLAND] what is the consequence? I am satisfied he has convinced himself, as I am also convinced, that nothing would be more ruinous; that nothing more dangerous could be accomplished, than the overthrow of the newly selected enemy; the destruction of the vast amount of capital accumulated in banks, and the impoverishment of all who are concerned in them. And yet, if this war is to be carried on in the spirit in which it has been begun, what less seems to be aimed at? What less is to be expected? Hostility is proclaimed. Public odium is as far as possible excited, and its fury made the great weapon of combat. In the rage of such a contest, reason is unheeded. Her voice is too feeble to be heard, especially when it must be addressed to the combatants, with weapons in their hands, doing battle against the selected enemy, and intent only upon his destruction. Nay, when the victory is won, and the enemy prostrate, the war spirit does not cease. It challenges universal acknowledgment of the justice of all it has done, and makes war upon every one who would venture to dissent, even when the question is forced upon him, and his opinion demanded. He is required to speak when for peace sake he would be silent, that if he speak with sincerity, he may be visited with reproach.

Sir, in reference to the topics alluded to, I am neither afraid nor ashamed, here or elsewhere, to declare my opinions, and to invite examination into them; to compare

them with the opinions of others, and try with them what results we can bring out for the benefit of our common country. And I do this under a solemn conviction, that a state of things such as I believe to be now existing cannot continue without serious danger. I do not disregard the evils that are present; they are too great to be disregarded. But I view with much more serious apprehension the mischiefs that may result from them. If in such a crisis, the Government of the United States should be found not only inefficient to relieve, but placing itself in an attitude of hostility to those interests which concern every man in the Union, and seeming to lend its aid to aggravate the disorder and suffering, I am afraid that the Union itself will begin to shake. It will be weakened in the public affection and regard.

Surely, sir, If the crisis itself be sufficient to engage regard and to invite exertion, there is every thing to quicken these feelings, in the conduct of those who have chiefly felt its unhappy influence. If, as was said, the spectacle of a good man struggling with adversity was pleasing to the gods, how would they have rejoiced to behold the honest and unyielding efforts of the merchants of the United States in the midst of sudden disaster? Never did a nation present such an array as that presented at this moment by the merchants of the United States. In the city of New York, the fire which destroyed their property and seemed destined to break their hearts, had only purified and invigorated them for the heavier trials that were to follow. Their conduct was heroic. They are already practising the lesson recommended by the message of the President of the United States. Have they not been reducing their establishments? The reduction which has been made of late, whether luxury existed or not, parting with accustomed comforts, has been such as no man at the head of a family can make without a severe pang; and have they not been, and are they not now, struggling at every expense, except that of their character for integrity, to make their contracts, unseduced by intelligible hints from certain quarters, that their English creditors did not deserve it. They scorned such profligate suggestions. Sir, I glory in it as an American citizen, that we have such a body of merchants in our country, represented as they are by the merchants of New York, and of that city which I have in part the honor to represent. And this commercial class is not more distinguished for its probity and good faith than for its enterprise and intelligence. It was once boasted that the sun never set on the dominions of Great Britain. Sir, the sun never sets on the achievements of the intelligence and enterprise of your merchants. In the greatest commercial metropolis in the world, existing as such before these States were settled, even there an American merchant is to be found in every commercial establishment—I mean every one that has intercourse with this nation. If you go to China, there, without the aid of monopolies or associations, by his own individual enterprise, you find him planted side by side with the nabobs of the East—for such they are who enjoy the employments of the British East India Company—and you see him vieing with them in his commerce. If you go to the far coast of America, there too you find the American merchant. And if you come to the commerce that, beginning in the United States, embraces the world in its circuitous voyages, circumnavigating the globe, and, as a mere incident to trade, doing habitually what, performed in a single instance, gave celebrity to early navigators, there too you find the American merchant. He is well entitled to your regard.

These (the mercantile and the planting) are two great interests which are primarily affected; but the disease has reached far beyond them, and is now felt by every one. You and I, Mr. Speaker, have not come from our homes without being compelled to inquire every ten, fifteen or twenty miles, whether a certain kind of money, which I do not choose here to call by the name it usually bears, would pass at the next town. No man can travel without being made to feel the derangement. It is present to him at every step.

Sir, I ask, what are the present immediate and most obvious causes of embarrassment? And I begin by stating that, for the present purpose, I shall deal in facts, and in conceded facts only. What is the present condition of things? Here is a suspension of specie payments. Does any man doubt that? No man can; because the first words in the message of the President inform us that this is the immediate motive for calling us together. What next? The want of a circulating medium in the United States—a common medium of exchange. Now, I will not say whether it is, or is not, connected with what I just now stated. I have received a letter calculated to exemplify this text. It is from an industrious man, not exactly, perhaps, to be called a merchant; he makes the articles he sells, and sells extensively, mingling the characters of the manufacturer and the merchant. He had a debt owing to him in Alabama; I think he informed me he had three of this description. His debtor was willing to pay; he might draw, or the debtor would send him Alabama bank paper. Well, said he, I have inquired of the exchange brokers, (who, by the by, are enjoying a most luxurious state of existence, which they owe to the derangement of the currency,) and they are willing to accommodate me at twelve or fifteen per cent. When I get this money at twelve and fifteen per cent., what will it be—specie? No. Notes of the bank where I am, which has suspended specie payments, and whose notes, as compared with specie, are at a depreciation of about ten per cent. This would make a total discount of twenty or twenty-five per cent.; and here is an illustration of the condition of exchanges in the country. Thus, there is universal embarrassment. Why is it so? What is the cause? The want of a common medium. The want of a currency. You have local bank paper in superabundance; but it is local; and variously depreciated. You have, besides, a spurious progeny of the times—the little notes before alluded to. They have but a very limited circulation, but within their limits they have extraordinary credit. We have come to this point in reference to this sort of spurious paper, that, so far as I know, in the State of Pennsylvania, no man inquires by whom it is issued. But come to Baltimore or the city of Washington, and it does not pass. Such being the circumstances, what is this resolution we are asked to vote for? Why, sir, when we meet together to relieve these embarrassments, so far as we are empowered to do so by the constitution, we are called upon to declare, by resolution, against that which has never been co-existent with such a state of things; against that which, so far as experience will guide us, has been both a preventive and a cure, having been tried and proved efficacious, in health and in sickness. Against this we are called upon to declare, off hand, by anticipation, without debate, and before we have tried out all the rest of the experiments before us. Nay, it is almost stronger than this; for if, after trying out our other experiments, we still find there is no other remedy than this—if our judgments and our consciences tell us it is the only remedy, still we are to commit ourselves against it. And not only so. We are to be committed against any species of bank that can be called a national bank. Have you, I would ask, thought them all over? Are you sure there is nothing coming within that designation, that will not be free from objections; nay, that even will be free from constitutional objection? Certainly you are not sure. You have not yet made the examination. You have not yet tried it. Would it not be rash for any man thus to commit himself? Would any intelligent man do so in his own private affairs? Whatever his feelings might be to the United States

Bank of Pennsylvania, would he pronounce that he would, under no circumstances, avail himself of her credit? Bankruptcy might come; his family might starve. Things might be so disordered that your treasurer could not pay in what is called the constitutional currency. Nay, sir, this is the fact now; and, in illustration of my position, I will refer to the case of an individual. This very day a draft which the treasurer had sent to an individual for no larger a sum than eight hundred and eleven dollars, owing by the Department of State, I believe, for money paid abroad, has been returned to him. It was upon a bank not paying specie. The creditor declined taking bank notes, and said he wanted specie, as he was required to pay his postage account and other dues to the Government in specie.

Now, sir, in this state of things, we are to proclaim that there is to be no national bank; nothing that can come under that denomination; and, in order to carry this through, we have a less formal, though not less intelligible proclamation that there shall be no connexion at all between the Government and the banks. There is to be a divorce. Sir, it is a word of evil omen, and especially coming from the stronger party, when there is reason to believe that the ground on which he makes the application is the consequence of his own misconduct. Cannot the honorable member from Virginia, (Mr. GARLAND,) cannot any gentleman who has turned his attention to this subject, see that this proclamation against *a* bank is a warfare against banks; and that whilst it appears only to pursue the foremost of those who are aimed at, it must very soon go to the hearts of those behind? Does he believe that a confederacy of twenty-six States can exist with local banks in every State, and yet have no one bank controlling in a friendly manner, and at the same time sympathizing with these local institutions? No national circulation—no national currency of a kindred nature—nothing to keep them together in a common system, and reconcile the citizens of the United States to them by preventing them from falling into the condition of inconvenience and disorder in which they are now placed? Those who are now pursuing this policy see differently. A proclamation has gone forth against the banks. Let me not unnecessarily take upon myself the companionship of the State banks; it is not requisite for my present purpose that I should do so. But I will ask this question: Do you believe, in relation to circulation and currency, that the wishes and habits of the people ought to lead the Government, or that the Government ought to drive the people? If the people say that they wish to have a paper circulation, convertible at any moment into specie, do you think it is competent for the Government, according to the genius of our institutions, to tell them they shall not? If the people of the different States of this confederacy choose to have banks, is it for the Government, under the constitution, to say that they shall not? What is it for? To support the Government of the United States. How? By payments into the Treasury. And what are they? Contributions by the people from the money of the people. Sir, if we had nothing for a currency or a standard but tobacco, would it be allowable, on the part of the Government, to say it would not take it? I say, if they had nothing but tobacco, which was once a currency in several States of this Union—if they have nothing but what they have in China, a mixture of base metal—it would be most unreasonable and intolerable in the Government to say it would not take that from them; for, to say they would not take it from them is to say they would not take out of their property, such as they have, but would compel them to buy something else to pay their dues. Why, sir, this would be an exercise of authority in the Government over the people, to which, so far as I know, no society—no civilized Christian community—has ever been subjected.

It cannot be done consistently with my notions of the nature of our institutions; and it would not and ought not to be submitted to.

But, sir, when I say I do not know that this distinction is made in any Christian community, I admit it is made in one empire; that empire, from its name, would seem not to be of this earth. It styles itself the Celestial Empire, and all the rest of the world, with becoming self-complacency, it denominates barbarians—ourselves amongst the number. Fortunately, I am able to give you the result of their experience in the plan now talked of here, of one currency for the people and another for the Government; of one money to pay each other, and another and better to pay their duties and taxes. But, first, a word of explanation.

Their money in China is metallic money. So far as it sounds in mettle they are in advance of us, according to the fashionable theory of the day; it is made of a mixture of base metals. This is called "cash." Their standard is pure silver, and the time was when 1,000 "cash" was equal to, and would buy, a tale of pure silver. But silver has risen, or "cash" has fallen, so that it now requires 13 to 15 hundred "cash" to buy the same quantity of pure silver. Now, what does this wise Government do? And what is the effect? I read from a collection of public documents on the opium trade, and the contraction of the currency: for they, too, have trouble with their currency, though entirely metallic. Arrogant as they are, they admit one point of resemblance between them and other people. "For in the love of much money, and of good prices, the flowery people (Chinese) and the barbarians are altogether like minded." Now, for the passage more especially applicable to the present purpose. It is as follows: "Always in times past, a tale of pure silver exchanged for nearly about 1,000 coined cash; but of late years the same sum has borne the value of 1,200 or 1,300 cash: thus the price of silver rises but does not fall. In the salt agency, the price of salt is paid in cash, while the duties are paid in silver: now the salt merchants have all become involved, and the existing state of the salt trade in every province is abject in the extreme." Comment is unnecessary. If we borrow from the "flowery people" their wise and mild system of one currency for the people and another for the Government, what can we expect but the same "extreme" abjectness which they have experienced under it?

I desire the attention of all who insist that duties shall be paid in one kind of money, when another is used in the transactions of the people, to this; the only experiment I know of in the world, of the application of their theory. Are they willing to introduce it here? What relief will it be to bring about "extreme abjectness" among the people. So much for that experiment.

In another of these documents, the rate is stated to have advanced from 1,000 to 1,500. Will it not do so here? Will not such be the inevitable consequence of the new scheme of one currency for the Government and another for the people. Probably I had better avoid the discussion of this matter now, as it belongs more properly to what is called the remedy that is before us in the sub-Treasury bill, at which, however, it seemed not improper to glance.

Having spoken of the difficulties under which we labor, what are they to be ascribed to? And here I take the message of the President of the United States and the report of the Secretary of the Treasury. I take them, neither admitting nor denying them; but I take them both as they stand for the present. Over-trading is the cause,—is it not set forth in the message and report? Over-action it is called in the message; over-trading, and especially over-production of cotton, is stated by the Secretary of the Treasury as the principal cause of our trouble.

On Saturday, September 29,

Mr. SERGEANT resumed his remarks as follows:

Mr. Speaker: This House has been so constantly in session, and the attention of the members of it occupied by so

many speeches, that they must be a good deal fatigued, and it is almost unreasonable, at this time, to ask their attention to the subject of this resolution. I, sir, certainly never could have introduced it to the notice of the House; and I regret, very much, that it has been brought forward in such a way as to oblige us to vote upon it; and, as a matter of necessity to those who vote, to give some reason for their vote. With this view, and under the necessity forced upon us, I will pursue the course of remarks I was making when the subject was last under consideration.

Mr. Speaker, I will endeaver to condense what I have to say in a small compass, and to place it upon ground as little liable as possible to controversy and dispute, proceeding, chiefly, upon conceded facts. When I last addressed the House, I was adverting to that part of the report of the Secretary of the Treasury in which he ascribes the present embarrassed condition of the country and of the Government to several causes. The first that he mentions is, that of the over-production of cotton, combined with the sudden fall in its price, making a difference in the whole value of the crop of that year of forty millions of dollars. He estimates the over-production, compared with the past, at upwards of one hundred millions of pounds, and, as he intimates, more than it ought to have been to that extent.

Now, sir, supposing it to be accurate, as he states, that half the crop has escaped the effects of this change, having got to market before it occurred, it appears that there is an actual loss on this article of $20,000,000, and, of course, whatever it may be owing to, the loss to the cotton growing country may be put down, in regard to that crop, at $20,000,000. I said, therefore, this was an interest primarily affected along with the mercantile interest; and the other interests throughout the whole country have also been affected consequentially. And now what do the Secretary of the Treasury and the President say, is, as far as their inquiries have gone, the ultimate cause of this? What has immediately led to this over-trading and over-purchasing of lands, this over-cultivation, to this over-action, as it is termed in the President's message, terminating in the present disorder and distress?

Sir, as far as they have looked into the matter, and I shall go no further for the present purpose, they ascribe this over-action and the evils resulting from it, mainly to the over-multiplication of banks, the undue increase of bank capital, and the excess of circulation, that is, of bank paper. What these things themselves were owing to; what were the primary causes; these are questions of great consequence, altogether avoided by the President and the Secretary. I am not now going into them. I will rest here for the present purpose, and suppose it to be correct, that the existing disorder in the country, so universally felt, is the consequence, not the cause, as just stated, of over-banking. Well, sir, what is this over-banking itself owing to? Sir, it would be natural to answer at once, that it is owing to the want of some suitable restraint. And, I presume this is a proposition so perfectly clear that every one would agree to it. Is it possible then to devise any restraint?

Now, sir, I mean by historical proofs to show you, I think conclusively, that it is possible; that we have had such a restraint; and that the absence or removal of this restraint is the real cause, the very source, of so many mischiefs. We will afterwards consider what that is. Sir, I will call the attention of this House, in the first place, to two leading facts in our history. For forty years of its existence this Government had a national bank—I mean a bank that was the fiscal agent of the nation. In the same period, that is, since the adoption of the constitution, you have been for six or seven years only without a national bank, and this at two different periods. Now, sir, if it should be found upon the records of the history of the country, that such disorders as exist at present, have never occurred during the period when you had a national bank, though that period extended through the space of forty years, and that each time when a national bank, ceased to exist, and as soon as it ceased to exist, these disorders began and continued, as they now do, is it not reasonable and natural to infer, that in this co-existence there is a connexion as of cause and effect? I believe it, as much as I believe any truth whatever, which I have been taught or been able to discover. Sir, it is the business of a statesman, from every event, good or bad, to endeavor to draw instruction. His pressing and immediate duty is to get through exigencies existing, with as little injury as possible; but his next duty is, out of the exigency itself, to extract lessons, which may be applicable in future times, and prevent a recurrence of similar disasters. Now I invite the attention of the House to three points in our history; for, short as our history is, it furnishes three periods upon the subject in question, and it is really astonishing when you come to look at them, what a universal and unquestionable testimony they bear in contradiction to this resolution.

Sir, the first bank ever established within the limits of the United States was a national bank. We are all familiar with the state of things which immediately followed the last emission of paper money, commonly called continental money, by the old Congress. The amount of that emission was, I think, two hundred millions of dollars. It rapidly depreciated, arriving no doubt in its descent, at the rate mentioned in the message, of five hundred for one; and finally was cried down, as it was termed, being of no value whatever. This was a dark and appalling moment Our troops without pay, without clothing, and without provision; the Treasury was without money, and Congress was without credit. Prior to that time no bank had existed in these provinces, or colonies, or States, after they became States. The provinces, while provinces, had all been in the habit of issuing bills of credit, and the Congress of the United States caused to be emitted that paper, always since known by the name of "continental money," and which no man living, if he has any recollection of it, desires ever to see restored again, nor any thing in its likeness.

When things were in this condition, and that great and good man who was at the head of the armies of the United States was pressing, in every way, the indispensable necessity of raising means, a few patriotic citizens of the city of Philadelphia got together, united their funds, and with them established the Bank of North America. This was the first dawn of light. The means, the money, and the credit afforded by this establishment gave at once some aid and relief to the Government. In the following year, that is to say, in 1781, Congress found it necessary to have a regular system of finance; to appoint a superintendent; and that superintendent recommended to them the incorporation of this national bank, the Bank of North America, the only one then existing. And you will find, or whoever will be at the trouble of searching the journals of that Congress will find, that in that year, in a dark moment of the revolution, when, however, patriotism abounded as well as difficulty and danger, the resort of those who were to bear the brunt of the contest was to a national bank; and the national bank, under God, was among the great means that enabled them to accomplish their victories, and finally to achieve the independence of the United States. Such was the first national bank—the first bank indeed we ever had. Its foundation was laid by the hand of patriotism.

The next period, sir, is the establishment of the Government of the United States under the present constitution, in 1789, at which time there were four banks, I think, in the United States. State banks all of them. At this time, owing to doubts being entertained of the power of Congress, under the articles of confederation, to establish a national bank, or whatever it was owing to, it so happened that the Bank of North America, located in the city of Philadelphia,

had accepted a charter from the State of Pennsylvania, and become a State bank. Banks were by that time also established in Massachusetts, in New York, and in one other State. There were four State banks.

When the Government became organized under the constitution, a national bank was established in 1791, with a charter for twenty years. Sir, twenty years of active commerce, twenty years of occasional commercial revulsion, twenty years of speculation, occasional, and, at times, very active if you please; for never was there a period in the history of this country, perhaps, during which there was more speculation in trade, more speculation in land—not public lands—but lands of all sorts. About the years 1795-'96, and '97, perhaps a little earlier, every one who recollects that period well knows that failures were not less frequent, and not less gigantic than they have been since. There were besides the ordinary fluctuations, the ebbs and flows of business. But the bank kept on for the twenty years; and during the whole of that period of twenty years, your currency was maintained throughout the United States, and you never had exhibited the scene you now have of a suspension of specie payments.

Well, sir, that bank expired in 1811; in the year 1814 specie payments were suspended, and continued so up to 1817. In 1816 the Congress of the United States again resorted to this expedient of establishing a national bank. And here, sir, allow me to say, and to say it as a matter of history, about which it is impossible there can be any doubt, that this bank was established for the purpose principally, if not entirely, of raising the country out of the state into which it had been thrown for want of a regular currency for the circulation and exchanges of the country. Yes, sir, I remember well, and if gentlemen will consult the journals of that day, they will find that the proposition to charter that bank was not reported by the Committee of Ways and Means of this House. They will hardly discern, in the history of its establishment, a reference to the fiscal wants of the Government, except so far as those fiscal wants were connected with the general business, and currency, and exchanges of the country—with the business of the citizen. But, sir, you will find that, passing by the Committee of Ways and Means, a special committee was raised on the currency—on the currency, and nothing else; and that committee, of which a gentleman now a distinguished Senator, was chairman, being appointed upon the currency, reported a national bank, and that was the bank whose charter was passed in March, 1816.

Proceding then, sir, historically, let me say that that bank fully answered its purpose from the period of it establishment up to the period of the expiration of its charter, or very near that time. You had a currency the most uniform, the most equal of any nation upon earth, beyond all comparison. Sir, if any gentleman doubts of this, I refer him to a speech made by the late William Lowndes, of South Carolina, in the year 1819, in March. A valuable speech it is, sir, in all respects, and worthy of all reliance. Mr. Lowndes was a man who, taking his talents, his acquirements, and his unquestionable integrity, has been excelled by none that I have met with in the course of my public walk through life. His early death was a loss to the country; for, before that time, the Legislature of his State had honored him by nominating him for President of the United States. He was, too, an inquiring and careful man, and seldom ventured himself without adequate preparation, in regard to matters of fact, patiently collecting them, wherever they could be learned. Now, sir, if you will look at that speech of Mr. Lowndes in 1819, when the bank had been about two years in operation, you will find him there stating, as the result of a careful examination, that the currency of the United States, by the agency and under the auspices of that bank, was more uniform than the currency of France. It is there stated that the exchange between the most distant points in the United States was not more than three quarters of one per cent., whereas the exchange between Paris and Marseilles was from two to three per cent.

Now this bank had its day; but its departure was a little anticipated. It was given to understand, some six years before its charter would expire, that it must then cease to exist; and from that period the people of these United States were led to believe, and to act upon the belief, that that bank would be withdrawn at the expiration of the period of its existence fixed by its charter.

Sir, what do you find then occuring immediately after this annunciation? You have had a uniform currency; you have had exchanges as near to par as possible throughout this whole extent of country. What is more, you have had no such excesses of over-trading and over-speculation as even to destroy that uniformity, and to bring the banks to the condition they now are. I do not mean to say, sir, that there was no over-trading then. It is beyond the power of this Government, or of any other upon earth, to prevent over-trading. A specie currency will not do it; a paper currency will not do it; no currency will do it. If any gentleman doubts of this, let him only look at the most remarkable incidents presented in the history of speculation and trade, and he will find that the two most gigantic and disastrous schemes of speculation known in the world's history—the Mississippi scheme in France, and the South Sea scheme in England—were carried on, one in a country where there was a bank, and the other where there was none. But, sir, no Government, by any contrivance consistent with the freedom of individual pursuit, can prevent over trading. Yet this I mean to say, that, during the existence of a national bank in this country, whether the people were over-trading or whether they were not, over-trading never produced the effects it has done when no national bank was in existence. You have had but a very short interval between the expiration of the bank in 1811 and the establishment of a bank in 1816. You have had a still shorter interval between the expiration of the last bank and the present period; and yet, in both, it is not over-trading you complain of, much as you lament that; it is a total prostration of the currency, the destruction of the standard of value, and alterations and fluctuations in the value of your money, in such a way and to such an extent that no two parts of the country are in the same condition; no two departments of the Government are in the same condition; nay, that no one department, as I will presently show you, even the Post Office Department, can act consistently with itself; but that one man is paid in paper, from necessity, while another may get specie.

Now, I have heard it said that there was period of very great embarrassment in this country, in the year 1819, the time I before adverted to, and so there was. But every one who turns back his thoughts to that time will recollect, (no doubt the chairman of the Committee of Ways and Means remembers it full well,) that at that period prices were low, and there was an over-abundance of money, which facts, seemingly contradictory, nevertheless co-existed. They were owing to the excess of importation in the year immediately following the peace. It was the languor of trade which followed over excitement. But so it was. That period of 1819, 1820, 1821, and 1822, was not a period when money was scarce, when specie was wanting, or when your currency was debased or affected. It was, sir, a period when money was abundant, and prices low, presenting an anomaly the converse of the period we have lately passed through, when money has been scarce and prices high. Such was the state of things in 1819, caused by the previous years; and we are now, in 1837, gathering the miserable harvest of the season prepared for us from 1830 to 1836.

Now, sir, I mention these facts for the purpose of lay-

ing the ground for the unavoidable deduction. And with regard to this period of 1830 to 1836, if confidence can be placed in making deductions from facts before you, the evidence is as conclusive as it possibly can be. I assume, still, without going farther back, that it is over-banking, over-issues, over-trading, from some cause or other, no matter what, that have produced the present embarrassments and disorder. I will assume that, without going any farther back to the final or primary causes. Now, only observe how over-banking, over-speculation, and the worst consequences of over-speculation and over-trading have been precisely co-existent with these periods when you have had no national bank. Sir, the charter of the first Bank of the United States expired on the first of January, 1811. You had then, in the United States, eighty nine banks. On the first of January, 1815, you had two hundred and eight banks. That is as much of the period as can be ascertained between the cessation of the charter of the first bank and the establishment of the second one. Upwards of a year is to be added, of which we have no account. And, sir, only note the extraordinary increase; no less than one hundred and nineteen banks added in the short space of four years. That is a period when you had no national bank. Well, in the year 1820, by which time the national bank established had got into operation and got through the embarrassments of its early existence, these banks had increased to three hundred and eight. Now, sir, take the next period of ten years, when the national bank was in full, active, and beneficial operation, and you will see how it worked to regulate and restrain. The whole increase of banks, from 1820 to 1830, if I understand the statement of the Secretary of the Treasury, is what? Why it is remarkable, and it is a fact every one must dwell upon; by that statement it appears that the whole number of banks, in 1830, was three hundred and twenty, being an increase of only twelve in ten years.

Now, sir, we come to the period when the Bank of the United States began to verge towards its dissolution—when it began to be believed, beyond a doubt, from clear indications, that it would not be continued. What do you find then? Exactly what you might have expected. From the 1st of January to the 1st of December, 1836, there were 110 new banks established; and whereas, in the year 1830, you had but 320 banks, you have now in the United States, in only six years, the period I have before adverted to, 677 banks, besides 146 branches. How much does that give you for the last six years? Three hundred and fifty five; being more than had been establishment in all the antecedent periods from the origin of the Government!

Now, again, sir, look at the increase of banking capital during the same period:

In 1830 you had - - -	$145,000,000
In 1834 there were added - -	55,000,000
In 1835 there were added - -	31,000 000
In the begining of 1836 there were added	20,000,000
In the remaining part of 1836 there were added - - - -	72,000,000
	$323,000,000

Making a total of three hundred and twenty-three million of dollars, and something more, up to this time. So much for the number of banks and banking capital.

Now for your circulation; and it will be found to concur with the other evidence, and comes to precisely the same result. From the year 1830 to 1836-'7, the circulation of bank paper increased in the United States from $61,000,000 to upwards of $185,000,000. The discounts and deposites were increased, probably, in the same proportion; that is to say, the sum total of banking operations was thus increased with a rapidity never before witnessed, and, I trust, not soon to be witnessed again. In six years it was more than trebled.

Sir, I am not adverse to the State banks; there is too vast an interest involved in them to be wasted and destroyed. A capital of between three and four hundred millions of property ought not to be sported with or endangered; for an injury to it must do extensive mischief to individuals and individual interests. But the statement of which I have given the particulars deserves, in my judgment, the serious attention of every American statesman; in it are involved all the evils that are complained of. What is it that has produced over-trading and speculation, and over-purchases of land? What is it that has stimulated the interests of this country to a morbid state of activity, threatening the existence of every thing, disturbing the relations between the different portions of the Union, embarrassing the intercourse between man and man, and compelling us to be here at midnight to pass bills to rescue the Treasury from impending bankruptcy? I need not go further back, and the result of the whole is that in forty years no such thing ever occurred; that in six years it did occur, and that in less than six years it occurred again; and that this state of things happened at two periods precisely identical, and alike distinguished from two other periods, identical also with each other when it did not happen.

The difference, so far as we are able to discern, is to be found in one great leading circumstance; that at the two favorable periods you had a great fiscal institution, acting as the fiscal agent of the Government, and at the other period, you had none. I will not undertake to show that, even with such an institution, it is impossible that such a derangement could happen. I do not believe that it would. I am content at the present time to say, that if you want an experiment, the experiment has been made. You know the results of that experiment perfectly well, and in a manner to be relied upon; you know you can have a uniform currency; you know you can avoid the suspension of specie payments; you know that you can furnish a medium between the inhabitants of the most distant parts of this great confederacy for carrying on your intercourse. You know it, because you have done it twice for long periods; and the experiment has been twice so successful that no one can doubt its efficacy. But, if any man could doubt its efficacy upon the mere affirmative evidence, you have had its opposite also; the negative evidence, also, is concurrent and complete.

You have tried the experiment of doing without it, and it has twice resulted in the same way, and brought us to the same condition. This co-existence is, humanly speaking, and according to the soundest philosophy, a good reason for inferring that one is the cause and the other effect. And then you have the deduction from the whole, that a national bank has prevented and will prevent such occurrences, and without such an institution you are inevitably exposed to them.

Now, sir, you are in this crisis not deeper than you were before; the remedy is not more difficult than before; nay, I firmly believe, and thousands in the United States believe, that precisely the same treatment will give relief. What is this crisis? I have taken from a newspaper of yesterday, I do not recollect from what paper, the following article:

"Tennessee Money Market.—The Nashville Banner, of the 16th instant, quotes the following rates of exchange at which the brokers purchase bank notes and specie:

United States - - -	12½	premium.
Silver - - - -	15	do.
Gold - - - -	15	do.
Kentucky - - - -	9 *a* 10	do.
Virginia - - - -	9 *a* 10	do.
Indiana - - - -	9 *a* 10	do.
Illinois - - - -	5 *a* 6	do.
Ohio - - - -	7 *a* 9	do.

*Alabama - - - -	2 *a* 3	discount.
*Mississippi—Nachez and Vicksburg	3 *a* 6	do.
other banks -	15 *a* 20	do.
New Orleans - - -	par.	

Sir, what a scene does this exhibit? What medium of commercial communication is there at that point between the State of Tennessee and the adjacent parts of the United States? Well, sir, come to your officers, the officers of your Government. One man is paid in specie; another man is paid in what the department has to give him. I am not now charging any of the officers of any of the departments with favoritism; but I speak of what has happened, and, if you please, of that which inevitably must happen. A third man is paid in United States Bank paper—a fourth in Kentucky paper—a fifth in Ohio paper—a sixth in Alabama or Mississippi paper; sometimes by means of drafts; and probably, occasionally, one is paid in drafts on New Orleans. No two men are paid in the same currency, and no two men receive the same amount, even if the amount of the claims is precisely the same. Then you have a difference between different departments. I mentioned to you the other day, the case of a claim of a mercantile house on the Department for about eight hundred dollars. The Treasurer of the United States sent to that house a draft for eight hundred dollars, drawn on a bank in Pennsylvania which had suspended specie payments. The house sent the draft back to the Treasurer, stating that they had paid one hundred and twenty dollars in specie for postage in a given time, and that they wanted specie to pay their postages that were accruing. He sent the draft back again. Now I do not impugn this officer. I believe he intended the best; but he could not give them specie otherwise than as he finally offered it, by a draft on a receiver in Ohio. How the matter ended, I do not know. But what is the consequence? In 1815 and '16, when a similar state of things existed, the New England banks continued to pay specie; the Post Office Department had the same command of specie, and the idea got abroad in Congress that certain gentlemen had been paid in the Post Office Department by drafts on those banks where specie was paid. A committee of investigation was raised, and the officer, I believe, was acquitted. But what a state of things is this, when your officers are exposed to suspicion; and when, with intentions ever so fair, they have not the ability to do what they desire! And then reflect that the public creditor does not possess that which is essential to all good Government—one weight and one measure for the whole people; *his* weight and *his* measure must depend on the accidents that happen to the Government at the moment he comes to receive his due. As to what is demanded of the debtor of the Government, we know well that specie is demanded, and that at the post offices throughout the United States persons are compelled to pay specie for their postages; they must find specie to pay their dues to the Government, of every kind. Now reflect on the general effects of this! Think of the injustice which is done when the Government of the United States demands its pay in specie, and when no creditor of the United States can compel payment in a similar medium. What is to be the consequence of such a state of things? To what does it tend? What is to be its influence upon the affairs of this nation?

Independently of these particular considerations to which I have been inviting your attention, sir, take a broader view. Is not the Government of this Union established for the common welfare, to do those things which the States individually cannot do, to keep this Union together, to regulate its foreign commerce and the commerce between the States, to give to the institutions of these United States a nationality, and to give to that nationality a pervading character? The subject we are considering embraces matters which deeply concern the general national interest in its whole extent. Is the Government of the United States to take no heed of this? Are they to suffer a centrifugal force to become preponderant, and endanger the Union itself? Are they to incur the manifest risk, nay, the absolute certainty, of suffering the beautiful spheres which constitute this system to rush into confusion and collision for want, in its proper place, of the most beautiful of all the needful, kindred, national sphere, which combines and regulates them all, and presents them as one harmonious whole? Are they to take no care that the centrifugal force shall, by appropriate and adequate means, be so restrained as not to endanger the system itself, to separate those intended to be kept together, to produce adverse interests, to let the needful balance be destroyed, and leave us in our daily concerns as if we had no common country, and no national character?

Sir, what is this Government of the United States for? It is to make us a nation. It is to give us a national character. It is to give us national capacities and advantages—not by consolidation, not by interfering with or destroying the rights, and powers, and privileges of the States, but to facilitate their intercourse, without effacing the lines between them; to give to the citizens the rights, the immunities, and the privilege of free citizens throughout the United States; and, so far as it can by these acts, to promote whatever is good, and to guard against whatever is evil.

Now, sir, if it be demonstrated that a fiscal agent of the Government is indispensable to this, can we be called upon to say there shall be no such fiscal agent? Sir, great interests have, I fear, been sacrificed to words—to words of factitious import and factitious power. We have been told there must be no longer any connexion between the Government and a bank, and now they have got a step beyond this. They now say there must be no association whatever between the Government and banks. Sir, I deny that this Government ever had a partnership with a bank or banks, or any thing that ought to be called by that name. It had an instrument, and the excellence of that instrument consisted in this, that it served also for the use of the people for the same purposes for which it was used by the Government; and thus it established, not a partnership between the Government and the bank, but, what ought always to exist, a community between the Government and the people, by bringing them together, in the common use of this instrument, to act upon the same ground. Is not this the English of it, turn it as you may? The people of this country choose to have banks. They choose to have credit. They choose to have that which they consider, and I believe to be, with regard to the business concerns of the nation, what that mysterious thing called life is to the organization of the human frame. Sir, can the Government adopt this same faculty, and thus indulge the people in it? I repeat, can the Government indulge them in it? Take it, if you please, your experiment upon the State bank system has failed, as it most certainly has, and was foreseen it would, does it follow that you cannot indulge the people in their attachment to the credit system? Are you driven to the Chinese improvement, of silver for the Government, and base metal for the people? Be it that you cannot use the State banks directly. I firmly believe you cannot. But cannot you so arrange as to allow the people to use them, if found convenient to themselves? Yes, you can, simply by adopting an instrument, such as you have heretofore had, of common use, and making the State banks of common use too.

The late Bank of the United States restored specie payments throughout the Union; it recovered the currency from a worse condition than it is now in. The State banks, without injurious pressure, returned to specie payment.

*Taken by banks in payment of debts, and current in ordinary transactions.

Order was restored. Harmony was established between the United States Bank and the State banks; union between the Government and the people. Where is the difficulty of doing the same thing now? Is any thing wanting but the inclination? Ought not the happiness of Government to consist in promoting the happiness of the people? And are they not happy when their reasonable desires are indulged and the efforts of industry facilitated? And, let me ask, is it the business of Government to seek to elevate itself before the world into a sphere different from the people, and say to them, we will not use the same instruments you do? We will not accommodate ourselves or our business to you, or to your business, or to your wishes; but, raising ourselves upon a heap of gold and silver, will leave you to flounder with your State banks in the region below, taking care of ourselves and careless of you? What would the people of these United States, in that case, consider?

Sir, is it desirable that such an unnatural state of the circulation should take place? Now, sir, supposing the multiplicity of State banks to lead to these revulsions in trade; to occasion a suspension of specie payments, and that, therefore, you cannot accomplish the required end by means of all the State banks in the United States, or by means of selected banks in the different States, numerous as they are, does it follow that it cannot be attained at all? Does not experience teach you that it can? Nay, sir, more than this. That by means of that common instrument, fit for your use, and fit for the use of the people too, which will not be injured by their use of it. By means of that instrument, you can regulate and control the State banks, and render them as efficient as they ought to be, and more safe than they are throughout the different States.

I am desirous, Mr. Speaker, to get to a conclusion in this matter, so far as I am concerned with it, and I shall do all that is in my power to accomplish that object within a very short time. With this view, I shall proceed at once to state, that there is one evil arising from the present disordered currency of the country, which, so far as my recollection serves, is peculiar to the present crisis, and which, in my opinion, constitutes, by reason of its peculiarity, the greatest evil of the whole, and which, if I am not much mistaken, is as formidable as all the other evils put together. What this evil is, I shall proceed to state.

When a suspension of specie payments formerly occurred, and during the years it existed before the establishment of a national bank, we were all, according to my recollection, placed on one footing. I do not mean to say that there was an equality in different parts of the Union, but there was an equality among the people at the same point in the United States. The peculiarity of the present crisis consists in this, that it makes a distinction between the officers of the Government of the United States and other persons, in favor of the officers of the Government. On this subject it is requisite I should enter a little into details, but I will enter no farther into them than is absolutely necessary for the distinct illustration of my meaning. And, with this view, I will state, in the first place, that every salary officer of the Government of the United States actually receives more than any officer of a State Government, whose salary is nominally equal. The salary of the President of the United States, for example, is $25,000 per annum. The salary of the Governor of Pennsylvania, is $4,000 per annum. The proportion between these salaries, according to law, is twenty-five to four. When this Congress assembled, the difference between specie and the bank paper of the Commonwealth of Pennsylvania, was ten per cent.: and, for the sake of argument, I will now suppose it to be ten per cent.; since whatever the proportion may be, requires only the alteration in the calculation to show what the actual effect is. The proportion, by law, between the salary of the President of the United States and the Governor of Pennsylvania, is, then, twenty-five to four. The Governor, therefore, ought to receive four twenty-fifths of what is paid to the President of the United States, and the President ought to receive as much as the difference between twenty-five and four, more than the Governor. Now what is the fact? That the President of the United States receives $27,500 per annum, and the Governor of Pennsylvania $4,000 per annum. The proportion, therefore, instead of being twenty-five to four, is twenty-seven and a half to four, supposing the difference between specie and the bank paper of the Commonwealth of Pennsylvania to be ten per cent.

To look at another illustration. A gentleman who was some time ago Governor of Pennsylvania for two terms, is now First Comptroller of the Treasury under the Government of the United States. His salary, as Governor of Pennsylvania, was $4,000 per annum, and the salary of the gentleman who succeeded him in that office is the same as his was. The salary of the Comptroller of the Treasury of the United States is $3,500, if I am not misinformed, the Governor of Pennsylvania thus receiving, according to the statute book, $4,000 a year, and the Comptroller $3,500 a year. But what is the fact. The fact is that the Governor only receives $4,000 a year, whilst the Comptroller receives $3,850; so that the difference between these two officers, instead of being as it appears to be by law, $500, is in fact reduced to $150. This is not all. Every salary officer of the Government of the United States, actually receives, in the present condition of things, more than any other individual having the same actual amount of salary, whatever his employment may be. We have all seen in the newspapers, a short time since, an account of the clerks in one of the Departments being paid by a Treasury draft of between $13,000 and $14,000, which was sent on to New York and sold, according to that statement, at a premium of eight per cent. If you take a clerk in the city of New York with the same nominal salary as that of one in the employment of the Government, how will the fact be as to compensation. Why, the consequence of the present condition of things will be, that a clerk in the Post Office Department receiving specie, or a draft equal or nearly equal to specie, is paid eight per cent. more than the clerk in the city of New York who gets the same nominal salary. Take the clerks in the custom-houses, or in the post offices through the United States, and compare them with clerks in private employment, whose salaries are nominally equal, and what is the fact? Do they receive the actual compensation which they appear to receive? The Post Office Department deals in specie; and the benefit of specie, therefore, is given to the officers so far as they have specie to pay, and the difference between specie and paper being ten per cent., the salary of the officers is advanced ten per cent., by the operation of the present state of things, that is, by the mere change which has taken place in the suspension of specie payments. How is it in relation to our own wages, as compared with the wages of any working-man in the United States? We are allowed by law eight dollars per day. A short time before the session commences, it is very strangely announced to the public, for reasons which I cannot comprehend, since the Secretary says that the letter in which the announcement is made was not intended for publication, and how it came to be published, I have not yet heard stated; but it is announced to the public, in the midst of all their suffering and distress, that, out of the wrecks in the Treasury remaining from this great convulsion, or revulsion if you please, the Secretary had continued to scrape together sufficient gold to pay the members of Congress in that coin. I am not going to say, sir, whether it is right or wrong to do this. I am now dealing with a matter of fact, and merely with a matter of fact, and with the unavoidable inference from it. I am not dealing

in the language of censure, except so far as to say, that when there was such great and universal distress, it was unfortunate, very unfortunate, that it should have been publicly announced that a distinction was made in favor of any of the servants of the Government, even of members of Congress. Without meddling with the fact whether it was proper to pay them in specie or not, I will state that I remember the time when members of Congress were paid in the paper of the District of Columbia, then depreciated twenty per cent. below specie, and they were satisfied; and when, for the remainder of that session, according to my recollection, they were paid in Treasury notes, also below par as compared with specie. I say, therefore, the publication of the Secretary's letter was unfortunate, because it leads immediately to the inquiry now set on foot.

Suppose a workman in your navy yard who is said to be paid in the common currency of the place, receives $2 00 per day, which is nominally one-fourth of the pay of a member of Congress. Does he actually receive that proportion? His compensation for six days, if he received the whole amount, would be $13 20. What does he actually get? Twelve dollars. What do we get? We get $8 80 per day. You may calculate this for six days, and see what the difference would be. Of this I will speak hereafter. Now this is a letter which presents itself every where throughout the country, and at all times, and allow me to say, that it is the most disagreable feature in the whole ugly face which our financial affairs now bear. It presents itself to all classes, in every condition throughout the country; and, as if there had been a fear that that condition would not have been sufficiently seen and felt, we have this formal annunciation published to make it the more striking. I regret very much that such a publication was made. And, sir, it presents itself in a manner even more odious than any I have yet adverted to—in a manner intolerably odious, which cannot be borne, which will not be borne. Sir, let me ask, is not the public creditor distinguished unfavorably from the officer of the Government? Is the public creditor paid in the same coin your officers of the Government are paid in? No, he is not. The chairman of the Committee of Ways and Means misapprehended me if he supposed that, in the instance I stated to him, I meant to prove that the Treasury was wholly destitute of means, available or unavailable. I did not mean that. I meant to say that it was destitute of the means of doing equal justice to all who have claims upon the Treasury; and the state of the case is sufficient to establish that fact satisfactorily. Sir, here was a claim upon the Government of $811, perhaps it may be twice as much as my per diem allowance and travel will come to for this short session. An order was sent to that creditor to receive it from a non-specie-paying bank; that is to say, in bank paper depreciated below specie, or above which specie had been appreciated, it matters not which. Could he get payment of that order in specie? He could not. He then sends back the draft to the Treasury, and tells the Treasurer he wants specie. He said he had a heavy account for postages from month to month, and he thought the least that ought to be done was to pay that small sum, for advances to the State Department, in that kind of money in which he paid his postages. The answer was, they could not pay him in specie otherwise than by giving him drafts upon a public receiver in Ohio. That, sir, was the case of a public creditor, and it so must happen continually.

Now, without impeaching the conduct or the intention of any officer of the Government whatever, is it not obvious that it becomes, sooner or later, the interest of the officers of the Government to continue this state of things? Because it is an advantage to them, as they will be paid in better coin, and in a better currency. They are nearer to the Treasury. They have more knowledge, and have the means of obtaining, perhaps are entitled to, the priority in the payment, and whatever advantages are to be secured will be secured to them.

Sir, what do you create in them by this state of things? You are creating an interest in your officers of the Government adverse to the interests of the people, and adverse to the common claims of justice; an interest which makes it for their advantage that this difference between what they receive, and what is paid to others, should not only be destroyed, but even should be increased. Sir, it is the interest of the Government, therefore, not to correct but to continue these disorders. They gain an augmentation of their salaries without any appropriation by, or without the assent of, Congress; that is, the whole amount of difference between paper and specie, paid to any other person performing the same service, or at the same nominal salary. This, I say, is intolerable. It cannot be borne. It will not be borne. Sir, what is remarkable is, that this being an evil manifestly of great consequence, and attended with very great danger, you have not a single proposition for the relief of it. The only proposition you have is to let it continue. I maintain that what is called the sub-Treasury system, though I know it would be irregular to anticipate the discussion of that question now, is no system at all. It is a call upon Congress to legalize that state of things which has grown out of the suspension of specie payments, and to secure and to perpetuate for ever the payment of the officers of the Government in specie, leaving it to the people to manage as they can with a debased and depreciated currency. Indeed, we have been told that this scheme exists already in the present state of things.

This, sir, is extraordinary; very extraordinary. How is it to restore one weight and one measure throughout the country?—a thing that you want, that is indispensable—a thing in which, from the beginning of time down to the present day, has been deemed indispensable to every people, that there should be uniformity. But I know it is called by another name, perhaps a proper name. It is called a divorce from the banks. A divorce from the banks! That is to say, the Government has contracted an alliance, which every one who thought upon the subject told them would be attended with danger, with injury, and finally with the necessity of some sort of separation. What was predicted has come to pass, and then they call for a system of divorce, when, in fact, the separation has already taken place. That, however, is not the point upon which I am going to discuss the matter. I do not take upon myself here to inquire how far this is necessary, and still less to inquire how far this divorce should take place. It is becoming the fashion to make the banks as odious as possible. What interest may be injured by so doing, is foreign to the present purpose to inquire. But, sir, I say it is not a divorce of the Government from banks. It is a divorce of the Government from the people, and that is a divorce which has already taken place—a divorce from bed and board. Sir, the Government and the people no longer sit down to the same table—they no longer feed upon the same food. The difference between them is ten per cent. And while the one has his table covered with utensils of gold and silver, and every thing that can gratify his appetite, please his taste, and constitute that thing about which we hear so much in the President's message called luxury, the people may get along with a wooden spoon, if they can; and if they cannot, why it is none of the business of him who has kept the gold and silver. Now, I say, sir, it is a divorce of the Government from the people, and not from the banks. And what is it, in order to relieve the people from their present difficulties and embarrassments, we are called upon to do? Why, in the first place, by the bill already passed postponing the instalment to the States, to relieve one party from the obligations they have contracted at the expense of the other; and the next is, to furnish them with Treasury

notes, in order that, by these Treasury notes, the Government may buy gold and silver. I can have no doubt of the genuineness of a certain letter that has been going the rounds of the newspapers, in anticipation of the passage of the bill now before this House, and which has already passed the Senate. And what is the purport of that letter? It is to inquire at what price, in gold and silver, the banks, (yes, sir, the divorced banks; I suppose, too, banks with whom, hereafter, there is to be no sort of intercourse or connexion,)—the banks and individuals will pay to the Government for these Treasury notes, in order that the Treasury may be supplied with gold and silver. And what is it that the present resolution calls upon us to do? Why, after having legalized a divorce which has already taken place, so far as a separation from bed and board at all events, the banks keeping what is called unavailable means, but which will be made available in time, and the Government having the rest—I say, after this has taken place, and the evil resulting from the suspension of specie payments operating differently from the former suspension, to which I before adverted, what is it we are called upon by this resolution to do? Why, to give security to the Government that this state of things shall continue; that it shall be perpetuated; that it shall be fastened upon the people; for whereas many intelligent and patriotic people in the United States do believe that a bank employed as the fiscal agent of the Government, and strengthened by the support of the Government, would at once restore the payment of specie, and put all classes of citizens upon an equal footing, we are called upon, by this resolution, to declare this shall never be. We must, as it were, all come up, and put our hand upon the book, to declare it hereafter settled and fixed that there is to be no bank. We are, as it were, to take an oath, to give a pledge, that there shall be no bank.

Let it, then, be demonstrated ever so clearly that a national bank would have its effect, would furnish a remedy, that it would remove this crying evil, which ought not to exist, and cannot be permitted to exist, yet that is not to be thought of as an expedient, and then what follows? Precisely what I told you—that the evil is to be perpetuated, and security given to the Government, by this resolution, that it shall be perpetuated. I ask the chairman of the Committee of Ways and Means whether that is not one of the measures of relief for which this extra session of Congress was called? How is it to be, that this resolution is to operate to the relief of the people from the distresses and difficulties they are now laboring under? But the sub-Treasury scheme I suppose will have its turn, and, therefore, I will say no more now than that it appears to me among those evils calculated to make the present state of things everlasting.

Mr. Speaker, as far as I have gone into this irregular and desultory sort of discussion, necessarily so for many causes, I have assumed nothing but what is stated by the President and the Secretary of the Treasury themselves. I do not mean, however, to be supposed to concur in the opinion they have expressed. I believe the disorders of our Government, for the last six or seven years, to arise from different causes, and, in due time, I will endeavor to show the grounds on which that opinion is founded. I believe them to have originated in the acts of the Executive; but this is not the time to say why I think so.

I state it now as the opinion I entertain, simply that assuming the bases stated both by the President of the United States and the Secretary of the Treasury, I am convinced that the only remedy is in returning to where we were; to that which has been tried and found good; and I say it without reference, at present, to ulterior causes which existed in the action of the Government. Now, is this resolution relief? Some few half dozen memorials from respectable citizens of the United States have made their way to this House. The common understanding of all was, that this was a systematic measure not to be dealt with at the present time. What are we going to do? Rebuke those that sent them, for their culpable intentions? Are we going to proclaim to the people that they shall no longer think? that they shall no longer speak? no longer address their servants on this subject? Are you going to proclaim this to them? If they come to us and tell us that they are men who desire to be allowed the use of their understandings and consciences, in relation to great public measures, must we tell them first to get rid of the majority now in Congress and next of the present President of the United States, and that until that is done the ears of both are forever shut against them, if they believe a bank is necessary? Is the issue intended to be presented, that we will not let the people think? Why not wait until the regular session? Why not, in the midst of their agony, when their minds are quickened by the intensity of their sufferings, tell them to present themselves here, that they may have the consolation to think that, at the bottom of all this michief, there still is hope? But no, this resolution proclaims that there is no hope; that it is mischief to the bottom. Sir, is it expedient or proper that this should be done at such a time? Who has come forward with a single proposition for relief? Who has proposed to reduce the number of your custom-house officers, who are equal in number at this time to the number employed in the most flourishing state of commerce? Who has told you that, as trade has been reduced in New York three-fourths, you can dispense with three-fourths of your officers and save their salaries? Who has told you so in relation to any other part of the Government, or who has proposed a reduction of expenditures? What is the whole amount of the propositions that have been brought forward? To relieve the Government. Give *us* gold and silver, says the Government, and then go home, and think no more about a bank: we forbid it. The President of the United States has told you beforehand in his message, that, in reference to a national bank, ordinarily so called, his mind is made up; and the Congress of the United States, in both branches tell you, before the measure is proposed, that they have made up their minds; that it is vain to think of it; that it is vain to ask for it; nay, although you come to us, and, as with a pencil of light, sketch out a vision by which we can see with certainty that the same means which in 1816 and 1817 dispelled clouds as dark as they are now, and longer gathering, promises the same results, yet they cannot be heard; that you have nothing to do with the currency; that it is their business, and not yours; that they must go to their homes, and not indulge themselves in luxuries. Sir, it appears to me very inexpedient thus to act.

When Mr. Sergeant had concluded,

Mr. WISE moved to amend the resolution by adding thereto "at this time." "And be it further resolved that it will be expedient to establish a national bank whenever there is a clear manifestation of public sentiment in favor of such a measure."

Mr. BELL then laid on the table the following, to be submitted as an amendment, which, with the amendment, was ordered to be printed:

"And that the adoption of the plan recommended by the President for the collection and disbursement of the public revenue through the agency of sub-Treasuries, by means of which the public moneys would be under the unchecked control of officers holding their places at the will of the Executive, and often his mere creatures and dependants, or the establishment of a bank, or any fiscal system in the nature of a bank, founded upon the credit and revenues of the Government, would be inconsistent with the spirit of a free constitution, and dangerous to the liberties of the country."

Mr. POPE then laid on the table the following amend-

ment, to be proposed whenever in order; which, on his motion, was ordered to be printed:

"Strike out all after the word 'resolved,' and insert 'That to aid the fiscal operations of the Government, the business and commerce of the country, to restore public and private confidence, and to insure to the nation a sound and uniform currency, it is necessary and proper to establish a bank of the United States, with such capital as may be deemed sufficient, with such limitations and restrictions in the charter as will insure an equitable distribution of the stock among the States and citizens of the United States alone, prevent excessive issues of notes, exorbitant profits, all interference with the politics of the country, and reserving to Congress the power of preventing and correcting abuses of the charter."

The House, at this stage, on motion of Mr. CAMBRELENG, passed to the orders of the day.

ADJOURNMENT OF CONGRESS.

The SPEAKER then took up a joint resolution from the Senate, fixing on Monday, the 9th of October next, as the day for the adjournment of Congress at the present session.

Mr. BELL opposed the resolution with warmth. It was, he said, a most unprecedented procedure on the part of the other branch to send such a resolution to the House at such a period and under such circumstances. Never, since the foundation of the Government, had such a thing been attempted before. When the House had not yet passed on one of all the measures recommended to it by the Administration, it was told that it must fix a day for adjournment. This was no doubt meant to bring the House to quicker despatch of business. They were, he supposed, to sit at night—they must act without debate—act by voting, and by voting only. They were too slow. Their masters, it seemed, were thus speaking to them indirectly. There was nothing, to be sure, in the mere form of this resolution that was unparliamentary; but its form was all about it that was so: the rest was all insult. The Senate could not but know that this House had as yet done nothing; and to send such a resolution to it was to insult it. He trusted all would be compelled to yield every consideration of ease or profit, and attend to the important measures submitted to their consideration.

Mr. B. concluded by moving to lay the resolution on the table; but, for the moment, withdrew the motion at the request of

Mr. MERCER, who said he wished first to obtain some information that was necessary to enable him to vote on the question presented by the resolution from the Senate. He thereupon asked leave to offer the following:

Resolved, That the Clerk of this House be directed to lay before the House a statement of the daily cost of the sessions of the two Houses of Congress, exclusive of their respective contingent expenses, and of the aggregate cost of the mileage of the members thereof.

It being objected to, he moved a suspension of the rules, and demanded the yeas and nays, but the House refused to order them, and the rule was not suspended.

Mr. BELL thereupon renewed his motion to lay the joint resolution from the Senate on the table, and demanded the yeas and nays, which were ordered by the House, and, being taken, resulted as follows: Yeas 94, nays 121.

So the House refused to lay the resolution on the table.

Mr. CAMBRELENG now moved the previous question; but the House refused to second the call, only 90 rising in the affirmative.

Mr. CAMBRELENG, who said his only desire was to expedite the business which was the order of the day, thereupon moved to postpone the consideration of the resolution till Monday next, at 11 o'clock, and that it be then the special order; which was agreed to.

Mr. ADAMS asked leave to move an amendment to the Senate's resolution, by inserting the 1st Monday of April next, instead of Monday, the 9th of October. But the offering of the amendment was objected to, the resolution having been adopted.

Mr. MERCER asked that the resolution he had offered, and which had been rejected, might be laid on the table and printed; but the motion was refused.

On motion of Mr. CAMBRELENG, the House then resolved itself into a Committee of the Whole on the state of the Union, Mr. HAYNES in the chair, and resumed the consideration of the bill to

POSTPONE THE FOURTH INSTALMENT WITH THE STATES.

The question pending was on the amendment of Mr. PICKENS to strike from the bill the indefinite clause "till further provisions by law," and insert "the 1st day of January, 1839," with the amendment of Mr. ADAMS, as given in yesterdays proceedings.

Mr. MERCER rose and addressed the committee in substance as follows:

Our days, Mr. Chairman, are numbered. The refusal of the House, this morning, to lay on the table the resolution of the Senate to adjourn on the 9th of October, and the bare majority by which the committee consented to rise, at a very late hour last night, admonish me of the extreme anxiety which exists to close this discussion. It is with no little embarrassment, therefore, that I venture to address the committee.

I am, in truth, Mr. Chairman, of late years, (said Mr. M.) unused to debate. My labors in this House have long been confined to the humble path of legislation prescribed to me by the allotment of its committees. Content to aid in the development of the resources, by means of the internal improvement of our common country, I have studiously avoided mingling in the strife of party, that I might more successfully promote those peculiar interests confided, in some small degree, to my charge.

For ten years I have not put pen to paper with a view to report any speech of mine, and have risen in debate only when impelled by the hope, however groundless, of shedding some light on the question to be decided. As I cannot speak to empty chairs, and find a sufficient reward in the circulation at home of what I utter here, it is the more necessary that I should have your attention, though I may fail to repay it.

That I may not, however, forfeit all title to your indulgence, I will proceed, without further apology, to examine the various Treasury estimates which furnish the basis of the bill on your table.

How little reliance is to be placed on these estimates is made manifest, not only by the conflicting results with regard to the present state of our finances, which have been deduced from the Secretary's first elaborate report by the various gentlemen who have preceded me, but by a palpable misstatement, in the very brief answer returned, in the last week, to a special inquiry of the House.

Taking them collectively, I am compelled to regard the reports of this officer, during the present session, whenever intelligible, as alike defective, erroneous, and inconsistent with each other.

In that which immediately followed the President's message, no information is afforded to this House of the final settlement, which, by one of the last acts of the twenty-fourth Congress, he was empowered to make with the Bank of the United States. The entire resources of the Treasury to meet the expenses of the last half of the current year, are wrapped up in an obscure paragraph of this report, which furnishes, as the result of his estimate, nine millions and a half, without disclosing the sources from whence this sum is expected to be drawn.

We now discover, from the answer returned to a special inquiry of this House, that the Secretary disposed of the Government stock in the Bank of the United States for near eight millions of dollars, and holds the bonds of that institution for this amount, payable, with interest from the 3d of March, 1836, in four equal annual instalments of $1,986,539 04. The time of payment is the month of September of the present, and of each of the three succeeding years. The rate of interest to be paid is not furnished by the Secretary, but on personal application at the Treasury, I learnt that it is six per cent.

The first instalment, therefore, will, on the 3d of next month, equal $2,175,260 24.

But of the whole consideration receivable from the bank, the Secretary apprizes us that "$741,561 28 is on account of the navy pension fund," and has, to use his own language, "partly been paid, and the residue will be out of the first instalement, when received. It is a portion," he adds, "of a trust fund, and not applicable to general purposes." So that the sum of the first instalment, applicable to public use, would seem to be but $1,363,250 64.

In the last Treasury estimate, however, that of the 21st of this month, this sum is carried to the credit of the unexpired year, as "about a million and a half." Why it is raised to that amount, if, as we are expressly told, the sum of $741,561, the whole interest of the navy pension fund, is to be paid out of the first instalment received from the bank, or whence the obligation arises to make so large a deduction on account of this fund, we are left to conjecture. A word or two as to the history of this fund. When it amounted to $656,000, the present chairman of the Committee of Ways and Means proposed, with a view to its enlargement, to permit by law, its investment in a part of the Government bank stock at par: the stock being then fifteen per cent. above par. The humane purpose of the fund, to provide for the destitute widows and orphans of deceased naval officers, out of whose pay the fund had been reserved, prompted the House to acquiesce in this proposal.

Having, at the commencement of this session, looked to the United States bank stock held by the Government as an available and appropriate resource in the present condition of the Treasury and of the currency of the country, I applied to the Treasury office and there learnt that 6,416 shares of 68,752, the residue of 70,000, originally held by the United States, belonged to the navy pension fund; that a sale of the whole stock had been made to the new Bank of the United States on the 4th of March last, at a premium of $15 58 per cent., and four bonds of equal amount received in payment.

The sale, thus effected, was obviously for the mutual benefit of the United States and the navy pension fund. The consideration was common and uniform; and the claimants became entitled to a ratable proportion of the several bonds; the navy pension fund to a share of the first bond, equivalent to one-fourth part of its entire interests in the whole consideration.

Instead of $741,561 29, this fund is, therefore, entitled to claim out of the first instalment due from the bank, $185,390 32, which, with nineteen months' interest, will amount on the 3d of October to $203,002 40. Deducting this sum from $2,175,260 24, and the balance of the first instalment to be carried to the credit of the Treasury will be, on the 3d of October next, $1,972,257 84, instead of the million and a half, at which it was estimated by the chairman of the Committee of Ways and Means, or the sum of $1,363,250 64, to which the Secretary would seem to reduce it by his letter of a subsequent date. By such reduction, his last estimate excludes the sum of $609,007 20 from the resources of the fourth quarter of this year, while it continues to omit any allusion whatever to the aid which the Treasury might derive, in its present exigency, from an anticipation, by loan or otherwise, of the payment of the three remaining bonds of the bank; amounting in principal to very near six millions, and, with the accruing interest, to a much larger sum.

That this omission has resulted from no desire to favor the credit of the Bank of the United States, by withholding its bonds from market, will be readily conceded by all who know the hostility of the Secretary to that institution. To what, then, can it be imputed, but to the design manifest upon the face of all the estimates of this officer, by diminishing the resources of the Treasury, to create an apparent necessity for passing the bill on our table?

Further and stronger evidence of such intention will be found by comparing a very short paragraph of his first report with the facts subsequently disclosed by a letter of the Treasurer, and a printed document transmitted to this House from the Senate but a few days ago.

After apprizing us that the public expenditures will exceed the balance remaining in the Treasury on the first of January last, together with the revenue of the current year, by near six millions, ($5, 875,565,) "in order," says the report, "to discharge that excess, and retain of the money reserved on the 1st of January, one million, which is the smallest sum deemed proper under the acts of Congress for the efficient operations of the mint, and at least three or four million more, to answer sudden and contingent calls, there will probably be a necessity to resort to the deposites now with the States, and to the deposites destined for them in October, or to some other resource, for a sum equal to ten millions." Allow me to say, Mr. Chairman, that among the many deceptive estimates of the Secretary there is not one more extraordinary or culpable than this.

The "acts of Congress" to which the Secretary alludes, are comprised in the 31st section of the act of the 18th of January last, (*a.*)* Comparing this paragraph with the provisions of the act, it is obvious that the Secretary assumes the largest sum which the law permits him to employ in the operations of the mint, "as the smallest deemed proper under those acts," to use his own language. The maximum extent of his discretion he thus makes the minimum; disregarding alike the express reference of the law to the convenience of the Treasury; the authority as expressly given him to withdraw the whole deposite or any part of it; and the alternative left at his discretion, of exchanging from time to time, coin for bullion, as had been the successful practice of the mint for a series of years.

It becomes us next to inquire how the authority of the Secretary over this million has been exercised, and to infer from its past, its future use, should it be again intrusted to his discretion.

From a letter of the Treasurer, which accompanied the Secretary's letter to the House, of the 15th instant, it appears that there had been deposited in the mint, on the 1st of May, one million of dollars; and that, on the 13th of the present month, there yet remained, of this sum, $776,535; the residue of the million having been recently withdrawn.

Turning to the statement furnished by the Senate, of the operations of the mint since the 1st of January last, we have, for the fruit of the first eight months of the year, a gold coinage of the value of $853, 825. The least sum coined in any two months, subsequent to January last, falls short of $41,000 a month. The greatest produce of any one month, that of May, is $268,000, while the average monthly coinage of the whole period is less than 107,000; and does not, during the last three months, exceed $87,000. So that, in virtue of a discretionary power, carefully guarded by law, to employ, "if expedient," a sum "not to exceed a million," the Secretary has actually employed that amount in a vain attempt to add $107,000 a month to the

* See Notes at end of speech.

gold coin of the country. He has pushed his authority to its utmost limit, while the fact was staring him in the face, as his report admits, that, (*b*) as fast as the gold received the impress of the die, it passed abroad, to be again converted into bullion, for the payment of a part of that foreign debt, to the pressure of which upon our currency, and, through it, upon the banks, the Secretary justly ascribes the derangement of the former and the insolvency of the latter.

I need scarcely remind the committee that the coinage of gold does not augment its exportable value; nor need I remark how inadequate is the seigniorage charged for that coinage at the tardy rate of $87,000 a month, to reimburse the ordinary expenses of the mint, and the interest of the million abstracted from an embarrassed Treasury. Is it not, therefore, most extraordinary, that the Secretary of the Treasury, with the experience of eight months, should ask of us a million of dollars, for the purpose of repeating so losing a game? Is this committee prepared to grant it? Will they not rather restrain than accelerate an operation so extravagant, by requiring this officer to apply the remaining deposite in the mint to the current expenses of the Government; to pay in good faith to its creditors, without discrimination, the full value of their just demands, instead of putting a part of them off with the depreciated paper of those banks which his policy has contributed to break, or with Treasury drafts, which, when issued, he very well knows, will be protested?

Leaving a few thousand dollars in the mint, for the purchase of copper bullion, according to the former usage of the Government, if the views which I have presented to the committee be correct, $750,000 of the sum remaining in the mint may be added to the estimated resources of the present year; and an entire million deducted from the proposed charge upon the Treasury for the year next ensuing. There does not, indeed, appear to exist any adequate reason for a special appropriation of any large amount to this object, since the surplus of two millions, allowed by the long-settled policy of former years to remain in the Treasury at the end of each, would yield ample means of extending, when expedient, the coinage of gold and silver bullion.

But the Secretary requires, it has been seen, besides the million for the mint, "at least three or four millions more," to answer sudden and contingent calls. He has underrated, as I trust I have already shown, by more than a million and a quarter, the funds now placed at his disposal, and totally excluded from his estimate near six millions more, that might be derived from the bonds of the Bank of the United States, to meet the current expenses of the year. And what does he now require at our hands? That we shall grant him a clear surplus of at least three or four millions more, over and above the amount of his own estimate of all those expenses.

The Secretary would, it seems, avail himself of one of the provisions of the much-abused deposite act, which reserved five millions of the surplus that might be found in the Treasury on the first of January, 1837, to ground a permanent charge upon the country, at war with all the antecedent recommendations of the Treasury Department, and the long-settled usage of the Government. (*c*) Permit me to call your attention to the origin and extent of the surplus which every Secretary of the Treasury till the present, and Mr. Woodbury himself, until his late report, has deemed sufficient to maintain the public credit.

Shortly after our last war with Great Britain, when the Treasury was oppressed by a heavy public debt, Mr. Crawford, then Secretary of that Department, recommended, for its speedy extinction, an enlargement of the sinking fund from eight to ten millions, and the further addition to it of all sums beyond two millions of dollars, that might at any time exist in the Treasury, beyond the money required for the service of the year.

This two million surplus he proposed to reserve for contingencies; leaving the current expenses of each year to be met by the current receipts of the Treasury.

To the salutary provisions incorporated by Congress in the act of March, 1817, we owe the final extinguishment of a national debt exceeding one hundred and twenty millions. Since the discharge of that debt and the increased ability of the Government to obtain loans on short notice, the wisdom of continuing to keep inactive so large a surplus as two millions, in order to provide for contingencies which may never happen, might well be questioned. But a permanent extension of this surplus to four millions, at the expense of a new debt, to be contracted by the issue of ten millions of Treasury notes, whether with or without interest, is a position so preposterous and extraordinary as to be reserved for the present Secretary, unless, indeed, the deposite act, an act temporary in its nature, and the result in all its features of compromise, may be deemed to supply a higher authority.

I appeal to the venerable member from Massachusetts, who composed part of the same cabinet with Mr. Crawford, if I have not correctly stated the origin and extent of the policy of preserving a fixed surplus in the Treasury.

One attempt to reduce it below two millions, I well remember to have failed. It was when, in conjunction with a distinguished chairman of the Military Committee of this House, from South Carolina, [Col. DRAYTON,] I sought to apply a part of the two millions to the armament of the fortifications on our seaboard. My argument was, that as our fortifications were then defenceless, and as war was the most alarming of those contingencies for which a surplus revenue was reserved, a part of it could not, in peace, be better applied, than in arming those forts, on the strength of which the security of our fleets and seacoast might depend. The metal of the cannon upon their ramparts would be as imperishable, at least, as the coin in the Treasury; and if both were suddenly required by the exigencies of war, money could be more speedily provided than arms.

But although abortive attempts have been made to reduce this surplus, and it has at the expiration of the year often fallen below two millions, no member of this body has, I will venture to say, ever heard its augmentation recommended, as a permanent policy, till the commencement of this extra session, when, if at any time, a reduction of all unnecessary demands upon the currency of the country might have been expected, from those especially who have so largely contributed to its derangement. Shall we, Mr. Chairman, depart from the usage of twenty years, by placing at the discretion of the Executive or his agents "a surplus of at least three or four millions," to use the words of the Secretary, and that, too, as he intimates, "by a resort to the deposites with the States, and to the instalments destined for them in October, or some other resource," subsequently explained to be the issue of Treasury notes?

It cannot, Mr. Chairman, (said Mr. M.,) have been unknown to the present Secretary of the Treasury, that his immediate predecessor estimated the balance which would remain at the expiration of 1834 at less than three millions; of which near a million and a half then consisted of unavailable funds, the notes and long outstanding balances due from the insolvent banks, which fell amidst the crash of our currency during the last war. Mr. Woodbury's own report of December, 1834, shows that the actual balance in the Treasury on the 1st January, 1833, including those unavailable funds, scarcely exceeded two millions; yet, in his annual report of December, 1834, so far from complaining of any embarrassment of the Treasury, from the extinction of this surplus, he expressly enforces the policy of the act of March, 1817, which prescribed the limitation of two millions. The same Secretary now requires twice that sum to meet the contingencies of but ninety days, and this, too, along with a special appropriation of more than a million and a half for the Florida war.

Nor should it escape observation, that, in the very next paragraph of the report which I have quoted, this officer urges, in favor of the limitation contained in the act of 1817, that "it would leave the bank agents of the Treasury, as its other fiscal agents from the foundation of the Government have been left, wholly disconnected, as far as practicable, with the dangerous relation of borrowers from the Treasury, for reloaning, and for private gain."

Why the Secretary has discarded the commendable jealousy which he manifested less than two years ago, of the misapplication of the public money in the hands of the disbursing officers, who at this moment hold, with his permission, more than four millions and a quarter, exclusive of three-fourths of a million in the mint, he has afforded us no explanation whatever. (*d.*)

I come next, Mr. Chairman, to consider that item of his late estimates for which he has received the eulogy of his friends. It is the deduction of fifteen millions from the estimates for the residue of the present year, on account of the balance of former appropriations which will remain unexpended on the 1st of January next; and for which, therefore, he asks of us no immediate provision.

This deduction is, I perceive, imputed to an actual suspension of the extravagant appropriations of the last Congress, through a spirit of economy. A word or two, Mr. Chairman, as to the origin of those appropriations, of which the Secretary complains in his late letter, as exceeding his estimates, and his friends as a cause of the present embarrassments of the Treasury.

An honorable member from South Carolina, (Mr. Pickens,) to my great astonishment, charges the national republican party with being responsible for those appropriations, one of which he especially denounces as an "effort to locate marine hospitals on the rivers and creeks of the West, where it would be difficult to fill them, unless by collecting the bears and wolves of the forest." Would it be believed that the only sites prescribed for the erection of those hospitals are the southern shore of Lake Erie and the banks of the Mississippi and Ohio, and that their object is the preservation of the lives of the many thousand boatmen engaged in the most extensive inland commerce on the globe, a large proportion of whom are occasionally exposed to a climate of all others most fatal to health?

For the rest of those appropriations, those who seek their origin must look to the reports of the committee of commerce, which had, for its chairman, a gentleman from Pennsylvania, of whom, in his absence, I will say no more than that he was, and had been, a most zealous friend of the late Administration. The light-house and harbor bills both emanated from this committee, whose encroachments on the province of the Committee on Roads and Canals were sustained by the dominant party of the day, to the utter disregard of one of the positive provisions of a standing rule of the House; and the wholesome condition repeatedly, though vainly, urged by the chairman and other members of that committee, that no appropriation of public money should be made to any object of internal improvement until its national character had been established on the basis of its general utility, and its probable cost ascertained by a careful examination, survey and estimate. To a departure from these salutary restrictions, may be imputed the number of those appropriations which the War Department reports its utter inability to expend, because their objects are unknown or unattainable.

A full share, let me add, of the responsibility for all those appropriations rests, immediately, with the present Secretary of the Treasury, and the Executive, which sanctioned his annual reports of the last and the preceding years, as their inspection will undeniably prove. For, while the labor of this officer has been directed, during the present session of Congress, to an augmentation of the surplus in the Treasury, far beyond the bounds of any former necessity, under color of providing for contingencies, it appears to have been his constant study, since, as well as prior to the deposite act of 1836, to reduce that surplus by lavish expenditures. Hence, in his report of December, 1835, where he prescribes the most "judicious course to pursue" in using the surplus, which he estimated at "between six and seven millions only," he tells us in so many words, that "in order to reduce it, there might be judiciously authorized, for purposes not enumerated in any of the estimates, other beneficial expenditures for objects clearly lawful and useful."

As late, indeed, as his last annual report, in treating of the proper disposition of the surplus in the Treasury, which he distinctly intimates, would be likely to continue, he reminds us that "various objects, of a national and constitutional character, were recommended in his prior report, as suitable for the application, by way of extraordinary appropriation, of any surplus funds for which the General Government should happen to have no other immediate use." "Liberal and useful appropriations," he says, "were fortunately made to many of them, which will save expense in the end, and prove to be the soundest economy." "The reasons," he subjoins, "for a continuance of the same wise policy, while our resources remain so ample, have lost none of their original force." Such was his language in December last. That no misconception may exist as to the character of the objects which he regarded as "lawful and useful," the succeeding paragraph to that which I have quoted expressly comprehends, among the proper objects for the application of such surplus, the following: "Completing with it, sooner than had been contemplated, the projected fortifications and naval establishments of the country; improving more rapidly the navigation security of its commercial bays and rivers; and while its imports and exports were prosperous beyond all example, erecting, where needed, appropriate custom and ware-houses, as well as suitable marine hospitals, court-houses, and post offices." Immediately following this enumeration, will be found an earnest recommendation of the repeal of certain duties on imports, to the extent of "three millions and a half"—a measure which undoubtedly indicated no want of confidence in the revenue of the present year.

It may, therefore, be confidently affirmed, in opposition to all that we have heard in the course of this debate, and to those complaints of the Secretary himself, in the first of his late letters, that he not only entertained no apprehension that the revenue of the current year would fall below his estimate of twenty-four millions, but that he desired a continuation of those very appropriations, by which the expenditures of the year have been made to exceed his estimates to the extent of five millions. It would be a sufficient answer to his inconsistent reproof of the extravagance of the last Congress, which I am not bound to vindicate, as I trust I have shown that four and a half of those five millions consisted of appropriations for the Florida war and the payment of the outstanding claims of certain volunteers, which originated subsequently to the date of those estimates.

I desire not to be misunderstood by the gentleman from South Carolina, or any other member of the committee.

I beg, Mr. Chairman, not to be considered as denouncing the past expenditures of this Government, where they have been discreetly applied to the internal improvement of our country. On the contrary, when I recollect that twenty years ago, the spirit which now animates this vast republic, from its centre to its remotest extremes, had scarcely penetrated south of the Potomac, I glory in the reflection that, through its beneficent agency, the resources of our common country have been explored, and its capacity for improvement demonstrated; that its loftiest mountains have been subdued, and the navigation of its noble rivers unlocked by the inspirations of science and the labors

of art; and, above all, that our people, once severed by natural barriers, have turned these very impediments into facilities of intercourse and bonds of perpetual union. Sir, in whatever party I may be ranked by others, claiming, as I do, independence of all, and asking favors of none, I am no nullifier; and I most truly rejoice that the State which the honorable member from South Carolina so ably represents, is about to derive from the accomplishment of an enterprise, worthy of the age, a new attraction to that union, in a commercial connexion of her great Southern emporium with the noblest rivers and the fairest cities of the West.

The power of this Government to make internal improvements I consider of diminished value, when I behold the alacrity and zeal with which the several States are superseding the necessity of its exertion. Whenever its great purposes are accomplished, I will abandon its use with far greater pleasure than I have felt in sustaining it; but, until then, I am prepared to meet any reproaches which it may bring upon its friends, from whatever quarter they may proceed.

I am at all times ready to vindicate the mode in which this power has been exercised by that committee of which I have so long been the drudge. I aver, sir, without a fear of contradiction, that, so far from the power of internal improvement having been abused by that committee, as an instrument for the partial distribution of the public benefit, which it is designed to dispense, there never has been a moment when an effort so unworthy would not have been spurned with disdain.

The committee will pardon a digression provoked by a charge which I could not but regard as applicable, in part, at least, to myself, since the small appropriation of the last Congress to the purchase of sites for marine hospitals in the West, sprung from a report of the Committee on Roads and Canals, pursuant to an instruction of the late House of Representatives.

In returning to the path I had left, I have to invite the earnest attention of the committee to a palpable disagreement between the Treasusy estimates of the probable necessities of the Government during the last quarter of the current year. In his letter of the 5th instant, Mr. Woodbury computes the "outstanding balances at the expiration of the year" to amount to "about sixteen millions," a sum which, he adds, "does not differ much from their amount at the close of the last year;" and this amount, I discover, from his letter to the Senate of the 14th of January last, to have been $16,862,670, an amount obviously much nearer seventeen than sixteen millions. But, in reply to a resolution of this House, inquiring what objects of public expenditure may be wholly dispensed with, or will bear a material reduction, during the present year, the Secretary expressly tells us, that "a minute and critical examination, on this point, was instituted in May last, and the result of it was, that enough could and would be postponed till next year to amount to fifteen millions;" "consequently," he adds, "the expenditures during the present year were estimated, in my recent report, upon that basis." To exclude any possible misconception of the grounds or extent of his estimate, he subjoins that, "after every delay which the public expenditure would permit, it is, therefore, expected that of the outstanding appropriations, now exceeding twenty-four millions, not much over nine millions will be necessarily required to be expended during the residue of the year; the result cannot be necessarily varied from that to which the Department arrived last spring."

Thus, within a fortnight of each other, and from the same data, the Secretary deduces two estimates of the wants of the Treasury during the residue of the year, varying from each other to the extent of a million of dollars, or as might be justly contended, a million and a half.

In the early age of this Government, Mr. Chairman, a million of dollars was a sum sufficient to engage the serious attention of this House, the constitutional guardian of the public purse. Are we to look for an explanation of this palpable inconsistency between the contemporary estimates of the same officer, to carelessness in the discharge of his duty? The extraordinary length of the Treasury reports, since he has been at the head of that Department, precludes so unjust a surmise. Are we, then, to seek for it in an unexpected opposition to the bill on your table, which, after gliding speedily through the Senate, has been so long obstructed in this House as to require greater urgency to pass it through?

Sir, I have again to complain of palpable omissions, as well as contradictions, in the elaborate reports of this officer. In reply to the late direct inquiry of this House, we had every reason to expect that the Secretary of the Treasury would correctly apprize us, not only of the sum of the balances of former appropriations which would remain unexpended at the end of the year, but of the part of those balances which might be ultimately dispensed with. A heavy cloud is allowed to rest over the prospects of the ensuing year, without the slightest effort to dispel it. And yet there will not be found in the annual reports of this officer, for a series of years, a similar omission.

In his report of December last, in which he underrated, by more than two millions and a quarter, the balances of appropriations which would be unexpended at the end of that month, he computes the part of those balances which could be applied in aid of the appropriations of the ensuing year, without a reappropriation, at more than three millions, and the part which would be carried to the surplus fund, under a provision of the existing laws, to very near two hundred thousand dollars. The two sums, together, constituted nearly one-fifth of the total estimated balance. The actual balances of the appropriations of former years, unexpended on the 31st of December last, is stated in the Secretary's communication to the Senate of the 14th of January last to have been, as we have seen, nearly seventeen millions, and no just reason can be assigned for computing those which will exist at the end of the present, or the portion of them which may be carried to the account of the ensuing year, at a less amount.

That I may be better understood by a part of the committee, allow me to remark that those balances of appropriations arise from no superior economy on the part of the Executive, as the large amount which they had reached on the 1st of January last, combined with the desire manifested by the Secretary to expend them, sufficiently demonstrates. To some extent, they must ever exist, since they spring from the nature of the objects to which the public revenue is applied.

The present Chief Justice, when Secretary of the Treasury, stated that those balances had averaged about five millions three hundred thousand dollars for the four years preceding his report of December, 1833. In estimating the balances of appropriations at the end of 1834, he assumes that "a portion of the expenditures," for which he submits an estimate, "will not be used during the year; that balances of appropriations, equal to the amount at the close of the then current year, will, in like manner, remain in the Treasury at the succeeding year;" and he wisely suggests that "it is not necessary to raise money for the public use sooner than it will be needed."

During the frugal administrations of Washington and his immediate successor, the elder Adams, these balances were inconsiderable compared with their present extent. Their augmentation has, doubtless, been promoted by a favorite doctrine of the opposition to those administrations; a doctrine which contributed, in no small degree, to its triumph in 1801. It had been the practice to distribute the estimates, and the correspondent appropriations for the

maintenance of the Government, under a few general heads of expenditure, and to allow the excess of an appropriation under one head, to supply any unforeseen deficiency that might arise under any other head of analogous character. The balances of appropriations, under this system, were few in number and inconsiderable in amount.

This usage was condemned for its supposed tendency to diminish the responsibility and enlarge the power of the Executive. It was charged upon particular officers that, under cover of the protection which it afforded for the misapplication of the public money, peculation had arisen; and one of the earliest measures of the successful party was an inquiry into the conduct of the ex-Secretary of State, Mr. Pickering. This inquiry was instituted and conducted by a distinguished member of this House from Virginia. It ended in the complete vindication of the officer, but led to the practice of multiplying the specific objects of appropriation, and restricting the disbursements for those objects to the sums severally appropriated. As the excess of one appropriation was no longer permitted to supply the deficiency of another, however close might be the affinity between them, and the precise sum required for each could not be foreseen, it became indispensably necessary to enlarge each of the numerous estimates to which the new usage gave rise, so as to guard against any possible deficiency of means. Hence an unexpended balance would be found at the end of every year, under many if not all of the numerous heads of appropriations. The aggregate of these balances became larger, as the public expenditure increased with the expansion of the revenue and the multiplication of its objects. As some merit is, moreover, implied in keeping the expenditure for any object within the estimate of its cost, so both the estimates and the appropriations have been gradually and proportionably enlarged.

Whether economy in the public expenditures has been promoted by this modern and still popular system of appropriation, I shall not stop to investigate; my present purpose will be answered if I shall render intelligible the objections I have made to the estimates on our table.

Before I return to them, I would further remark that the balances of appropriation at the end of each year, which have been so much augmented of late, may be distributed under two distinct heads. The first embracing all such balances as may yet be required for the attainment of the objects to which they are appropriated. The second, those balances ascertained to be unnecessary for the purposes for which they were originally designed, becuase those purposes have been already attained, or found to be wholly unattainable, or to be attainable at less than their estimated cost. By a standing law, all such balances as have stood over for two years or more, from the date of their appropriation, pass to what is called the surplus fund; and, since the discharge of the national debt, are mingled with the unappropriated mass of the public revenue.

Without availing myself of the express admission of the Secretary in his letter of the 5th September, that the unexpended balances at the end of the present year will not differ much from those at the close of the last year, ascertained to have exceeded sixteen millions and a half, I shall not err, I trust, in the opinion of the committee, if I set them down at that amount. The Secretary himself expressly states that the appropriations of the last year exceeded his estimates, as they certainly did the appropriations of the year next preceding; and it is obvious that the magnitude of the balances, which remain uncalled for at the end of a year, must bear proportion to the number, variety, and extent of the antecedent appropriations.

Deducting sixteen millions and a half from the twenty-four millions of outstanding balances, comprehended in the Treasury statements of the 11th of September, and we have seven millions and a half for the full measure of the probable demands on the Treasury for the residue of the year, exclusive of the sum required for the Florida war, and the expenses of the present session of Congress.

With regard to the new appropriation asked for this disastrous war, a part of it will doubtless remain to be expended after the close of the present year, and the remainder may be deducted from the annual contingent fund of two millions; since war is not only one but the chief of those contingencies, for which this fund is designed to provide, and since three-fourths of the year have, in fact, nearly expired, and to that extent limited the field of contingencies during the current year.

The chairman of the Committee of Ways and Means arrived at his estimate of the expenses of the last quarter, by averaging the monthly expenditures of the past year, which, on the submission of his first estimate, he made two millions and a half. Why his second estimate extends this average to three millions, I am not apprized; but he cannot consistently extend the average for the three months of the last quarter, as he proposed in both estimates, by adding one million six hundred thousand dollars for the continuation of the Florida war, since four million and a half of the expenses of the three first quarters are ascribable to the prosecution of this very war, and, consequently, included in the aggregate from which his monthly average is deduced.

On the principle upon which his estimate is made, the sixteen hundred thousand dollars now called for, if to be expended in the ensuing quarter, should be deducted from his monthly average. Such a deduction would make the total expenses of the last quarter, exclusive of this new appropriation, according to his former estimate, less than six millions, exclusive of his claim of a million for the mint, and a surplus of four millions for contingencies.

It would be possible to fortify the conclusion at which I have arrived, that the sum required for the residue of the year will not exceed seven millions and a half, by recurring to the actual expenses of the corresponding quarter of prior years; when no disorder of the currency or prostration of the industry of the country required a reduction of the public expenditure, and every incentive which the Secretary of the Treasury, the organ of the Executive, could offer for its augmentation, was supplied by the unvarying tenor of all his reports, down to that of the 5th of this month.

Discarding the worse than useless provision of one million for the mint, the unprecedented and absurd retention of four millions for contingencies, allowing three hundred thousand dollars for the extra session of Congress, and assuming, in other respects, the corrected estimate of the chairman of the Committee of Ways and Means, the aggregate of all the expenses of the ensuing quarter will amount to less than eight millions of dollars, exclusive of the fourth instalment due to the States under the deposite act of June, 1836.

To provide these eight millions, I propose to withdraw three-fourths of a million, now deposited in the mint, leaving a small sum to purchase copper bullion, and permitting the coinage of gold and silver to proceed as in the year 1835, but without taxing it, as the Secretary recommended in his annual report of 1834. (*d.*)

I propose, moreover, to pay to the navy pension fund that portion only of the first instalment due, from the Bank of the United States, to which it is justly entitled, applying the residue of that instalment to meet the public exigencies. In further aid of those sums, for other and higher considerations, which I shall hereafter take occasion to explain, I propose to raise, by a sale and transfer of the three remaining bonds of that bank, the further sum of five million nine hundred and eighteen thousand and thirty-three dollars—their par value on the 3d of October next, after deducting from them the remaining interest of the navy pension fund. The aggregate amount of these spe-

cific sums, added to the balances that may be in the hands of the collectors of the customs and the receivers of the proceeds of the sales of the public lands, on the 1st of October, would alone be more than sufficient to provide the eight millions required for the last quarter of the present year.

What the receipts of that quarter may amount to, including repayments by disbursing officers and agents, it is impossible now to predict, nor do the Treasury reports afford any certain guide by which to ascertain them. Hitherto, the actual revenue of the year has, in every branch of it except the customs, exceeded the Treasury estimates of the 5th of December last. That from the sales of public lands, during the first half of the year, surpassed, by near half a million, the estimated receipts of the whole year. The chairman of the Committee of Ways and Means computes the revenue from this source, for the last quarter, at a million, which would make the total excess for the year very near $1,900,000. (*e.*) The estimated receipts from the customs, in the last annual report of the Treasury Department, exceeded, by a million and a quarter, the corresponding estimate for the year next preceding. The actual receipts under this head, for the first two quarters, have been $7,234,451; those for the two last quarters will doubtless fall short of that sum, though no further indulgence be granted on the custom-house bonds due or to become due in the course of the year; and if indulgence be granted, the magnitude of the sum to be received will depend on the extent of that indulgence.

The receipts from miscellaneous sources have already exceeded their estimate for the whole year; and, restoring to the Treasury the sum improperly paid to the navy pension fund, the actual revenue from all other sources than the customs will be found, by the expiration of the year, to have exceeded the estimates by two millions at least.

A passing observation is here due to the prophetic sagacity claimed by the Secretary of the Treasury in his report of the 5th instant; it is that, however "reluctant" he may have been to estimate the receipts for 1837 "at only twenty-four millions," he did not advert to the fact that this estimate actually exceeded that which he gave us of the revenue of the very prosperous year next preceding by four millions and a half: the estimate of December, 1835, of the revenue of the following year, having been but $19,750,000, and the part of it anticipated from the customs but fifteen millions and a quarter. The receipts of that year, we may remember, amounted to fifty millions.

I shall be excused, I trust, after a careful consideration of a series of Treasury reports so replete with error and so marked by every species of inconsistency of fact and argument, if I allow their author the power of expanding and contracting his estimates to suit every political emergency of the party with which he has zealously co-operated.

Amidst all the confusion of ideas necessarily attendant upon so arduous a duty, enough is yet apparent upon the face of the last reports of this officer to manifest that, without relying on the sums which may remain to his credit with the late deposite banks on the 1st of October next, resources may be devised, without incurring a new public debt, to carry on the necessary expenditures of the Government to the end of the current year.

I have purposely discarded those sums from my estimate of the resources of the Treasury for its ordinary or current expenses, because, in truth, they were appropriated and set apart, by positive and solemn enactment of law, for a distinct purpose. To the extent of the fourth instalment of the surplus revenue, to be distributed on the 1st of October next, under the act of June, 1836, all authority of the Secretary to dispose of those sums for any other purpose ceased on the 1st of January last.

Whether, in his preparation for the execution of that act, by transferring those deposites which it directed him to ascertain and to set apart for the States, the Secretary has transcended or omitted to exercise his lawful authority, is not now a question before this committee. Nor is it material to that which we have to decide whether those deposites be available or not. They are to become, on the 1st of October next, to the full extent of the sum of $9,367,214 98, the limited property of the several States, according to their respective proportions, and under the express conditions set forth in the deposite act of June, 1836, which gave to the Secretary of the Treasury no other power than to obey its mandates.

If he has rendered such obedience impracticable, if he has reduced the amount or impaired the value of the surplus fund entrusted to his care, and set apart by law for a special purpose, the responsibility rests with him.

It cannot be doubted, however, that those States whose banks are depositories of this fund will cheerfully accept, for their remaining share of it, the drafts of the Treasury on those banks, for whose credit they are, in some instances at least, responsible to the public, either as guarantees or as stockholders. The States from whose banks these deposites have been already withdrawn may, indeed, scruple to accept Treasury drafts on the banks of other States, for their remaining proportion of this surplus fund, on the terms upon which it has been set apart for their common benefit; but they have a right to decide for themselves whether to accept them or not. If the banks shall tender, in their discharge, ample security for their principal, with the lawful interest accruing upon it until it be paid, such drafts may be made, by negotiation, to subserve all the purposes of money, especially to those States which would prefer an investment of their proportion of this fund in productive stocks to its immediate expenditure, or any other application of its principal.

The present condition of this fund does not, therefore, furnish of itself a sufficient ground for the passage of the bill from the Senate for the indefinite postponement of the fourth instalment.

Are there, Mr. Chairman, any other adequate grounds for the passage of such a bill? Will its passage involve a violation of the public faith towards the several States?

Mr. Chairman, said Mr. M., had an intelligent stranger listened only to the various and contradictory arguments of the advocates of this bill, I would cheerfully abide by his decision upon its merits. The *argumentum ad absurdum* is a legitimate mode of reasoning, and as applicable to the development of moral and political as of physical science.

One gentleman has contended that the deposite act, which this bill proposes to repeal in part, was unconstitutional, and therefore not obligatory; although he admits that more than twenty-seven millions of the public money have passed under its provisions from the Federal Government to the States, who have unanimously agreed to receive, and plighted their faith, on certain conditions, to return it.

Another gentleman has contended that no legislature can bind its successors, and therefore the act of 1836 is repealable at pleasure.

A third insisted that the deposite act does not pledge the faith of this Government to the fulfilment of its stipulations, because they do not amount, in terms, to a contract; or, as a fourth has argued, if a contract, it is a *nudum pactum*, or without an adequate consideration.

Some of the advocates of this partial repeal of the act have found a solution of their scruples of good faith in the mere title of the act; others in its context. One gentleman relieves himself from any embarrassment that might accompany his vote by severing the two provisoes of its most important section from the section itself, and regarding them as conveying a mere instruction to the Secretary of the Treasury as to the mode of distributing and withdrawing the sum to be deposited.

One gentleman, after vindicating his vote for the act of June, 1836, against the very unmerited attack upon it of one of his colleagues, made quite an original discovery, that the Federal and State Governments are, in truth, identical, being Governments of one and the same people, and, consequently, incapable of contracting with each other. Many of the advocates of the bill have, with more truth, admitted the right of those Governments to contract, and that the act in question, if not in itself a contract, authorized a contract to be made between the General and State Governments; but they claim for the former a release of the obligations arising under it, upon the legal or equitable grounds of mistake, unforeseen accident, or unavoidable necessity.

I do not purpose, Mr. Chairman, a separate reply to arguments which, in general, so remarkably serve to answer one another; but shall content myself with such an exposition of my own views of the merits of this bill and such brief notice of the views of others, as may excuse me from yielding assent to a measure inconsistent with the faith of this Government, and calculated to inflict a deep and wanton injury upon the States of this Union.

I most readily concede to the honorable gentleman from Virginia, [Mr. JONES,] who rose early in this debate, that the act of 1836 is to be construed, not as a penal statute strictly, but liberally; according to its obvious intent and meaning. I cannot, however, infer that intent from its title alone, nor affirm, as two of my colleagues have done, (Mr. JONES and Mr. GARLAND,) that it is not a distribution act, merely because it is called an act to regulate the deposites of the public money.

It is, in truth, as its context discloses, both a deposite and a distribution act, since it expressly provides for a distribution of a part of the surplus funds of the General Government among the several States, according to a fixed ratio; to be held by them in deposite, and returned when called for, after a prescribed notice, in limited proportions.

Both my colleagues (Messrs. JONES and GARLAND) have contended that the right to use did not pass with the possession of the deposites—the contract authorized by the deposite act being for the safe-keeping only of the public money.

If such be the sound construction of the act of 1836, what motive, I would ask, had the States, for accepting, in deposite, the sums which it tendered them? Why were the sums, so tendered, proportioned to the respective representation of those States in the two Houses of Congress, and the obligation to restore them, when called for, limited in the same ratio, each call confined to so small an amount of the deposite, as not to exceed, in relation to the most populous State in the Union, $10,000 in any one month, unless with a further notice of thirty days for every additional sum of $20,000 that might be called for? No, sir, every provision of this act had reference to the benefit which the several States were to derive from the use of the public money, until required by the necessities of the Government; necessities which, when the act was passed, no man anticipated.

Had the safety of the public treasure, its value, or the facility of its use by this Government, been the sole or even the chief ends of the deposite act, why did it not provide for the special deposite of the entire surplus revenue, where the far greater part of it had been collected, in the mysterious vaults, and beneath the marble roofs of the banks of the great cities of the North, whence it could be drawn on the shortest notice, by bills vendable at par, or at a premium, whenever the public necessities might require its expenditure. Has it been for the security, or readier use of the public deposites, that a considerable portion of them has been transferred to States on the Indian frontier, occasionally the seat of war, and a still larger portion to States in the interior, within whose limits, scarcely a dollar of the public money is expended in the year?

Sir, every feature of the deposite act, and all the circumstances which preceded or accompanied its enactment, demonstrate that it empowered the Secretary of the Treasury to enter into contracts with the several States for the mutual advantages of the parties, but especially for the benefit of the States themselves.

The deposite of the surplus money of this Government has ever been a subject of contract, either express or implied. Such, in truth, is every special or general deposite in a bank; and for forty of the forty-eight years that our present constitution has been in force, the unexpended revenue of this Government has been the subject of special contract with a bank of its own creation.

On the removal of the deposites from the Bank of the United States in 1833, formal articles of agreement for their safe-keeping, on specified conditions, by the selected State banks, were drawn up by the present Chief Justice, then Secretary of the Treasury, and subsequently ratified, sealed with the corporate seal, and subscribed by the proper officers of the State banks. So valid were the obligations of these contracts regarded to be by that eminent lawyer, that he expressly stipulated for the right to discharge the several banks "from the service of the Government whenever, in his opinion, the public interest might require it."

In the very act which we are considering, the 7th section provides that it shall be lawful for the Secretary of the Treasury to enter into contracts in the name and on behalf of the United States with the banks selected as depositories of the public money, and the terms of those contracts are prescribed by the act itself.

Were those contracts made for the mere safe-keeping of the public money? Would the deposite banks have accepted so barren and unprofitable a trust, connected as it was with an obligation, on their part, to give security for the administration of such trust; to permit their books and accounts to be inspected, and their money to be counted by the Secretary of the Treasury, or his agent; to make weekly returns of their condition, subject to periodical publication; to pay, at sight, all warrants which the Treasurer might draw on them; and make all such transfers of the public money to other banks, as he might require, and supply foreign bills of exchange, at cost, without any fee, premium, or commission whatever; and, moreover, a part of the expenses of such agents as the Secretary might depute to watch over their fidelity? Would those banks, I say, have entered into obligations so multiplied, embarrassing, and onerous, for the mere credit of keeping the public money, without the liberty to use it for the profit of their stockholders? Their contracts with the Treasury, like that which the deposite act tenders to the several States, are silent as to the use which they may make of the public deposites. The right to use them might be implied from the character of the agent. But a letter from the Secretary of the Treasury of the 26th of September, 1833, to the president of the Girard Bank, contemporaneous in date with those contracts, and designed to induce their acceptance, avoids all necessity for implication, since it expressly intimates that the "deposites of the public money will enable" the bank, to which his letter was addressed, to "afford increased facilities to commerce, and to extend its accommodations to individuals." "As the duties payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable," Mr. Taney adds, "that they should be preferred in the additional accommodation" which the public deposites will enable the banks to give.

A reference to the vast amount of the surplus revenue designed to be transferred by the deposite act from the vaults of the banks to the treasuries of the States, forbids

the belief that the friends of that act, or the States which have complied with its conditions, imagined, for a moment, that the sums so transferred were not to be used. The sudden withdrawal of more than thirty-seven millions from the currency and business of a country, whose currency did not exceed, if it equalled, thrice that amount, would have been a measure of such wanton mischief, that no man in his senses could have given it his sanction, and it cannot be imputed to the very large majority of both Houses of Congress, by whose vote the act was passed. (*f.*)

How the States have understood it, we are not left to conjecture, although I much regret that the resolution of an honorable member from Massachusetts, [Mr. ADAMS,] designed to procure for this House copies of the several acts of the State Legislatures accepting and disposing of their respective shares of the public deposites, remains yet unexecuted. Enough, however, has been told us by the Representatives of those States, who have taken part in this debate, to enable the committee to perceive how they have construed the act of June, 1837, and what inconvenience they must suffer from its partial repeal.

Mr. Chairman, said Mr. M., it was my anticipation of the beneficent use which the several States might make of those deposites, which recommended to my favorable regard the act of 1836. I foresaw the noble purposes to which the public money might be applied through their agency, and my heart exulted in the glorious anticipation. I saw the ties of our happy Union multiplied and confirmed by the improvement of old, and the opening of new channels of commercial and social intercourse. I beheld the spires of colleges and academies glittering on the distant forest, and a wide-spread system of popular education elevating our social condition, augmenting the intelligence, refining the manners, and, above all, implanting in the hearts of our people the knowledge, and with it the love of our admirable constitution of Government. In order to avoid an Executive veto, which had been prepared, as I was informed, for the act of a former Congress, to provide for the distribution of the proceeds of the sales of our public lands, I most reluctantly, and, as it eventuated, fruitlessly, assented to strike out the three limitations which the Senate had provided of the use of the sums to be distributed. Popular education constituted one, and the dearest of them all in my conception. I wish, Mr. Chairman, to behold a system for this object pervading the Union. But wherever it may exist, if confined to one State or to a small district, I shall hail it as an additional safeguard to the rights of the people I represent. To them, my opinions here are not of more avail than those of any other member of this body, and the security of their freedom and happiness rests upon that public sentiment to which each member of this House is amenable at home, whether he be from Maine or Georgia, from the shores of the Atlantic, or the banks of the Mississippi.

We are apprized, Mr. Chairman, that North Carolina, Ohio, and several other States have consecrated their share of the public deposites to this and other liberal purposes, and my reluctance to pass the bill on your table is augmented in a tenfold degree by this intelligence.

We learn that other States have entered into very solemn engagements, founded upon an anticipation of the receipt of the instalment of those deposites which we are now invited by the Senate to withhold, or to postpone indefinitely. Can we, in good faith, withhold it? Let those gentlemen who regard the deposite act as the promise of a mere gratuity, ask themselves the question, whether they would violate the sanctity of their word, when once it had been plighted, to the humblest individual in society, to the beggar at their door? What man can do so, and retain the respect of his fellow men? Who is prepared to set a price on the faithful observance of his word, and to commute his reputation for money? Let him come forth and sustain this bill.

It is objected to this appeal to the sentiment of honor, that no man can bind himself to perform impossibilities; that mistake or unavoidable necessity absolves us from our obligation to the States; that we have not the money to comply with our engagements, and the continued ability to do so was an implied ingredient of our original contract or promise. It is not pretended that the entire sum of thirty-seven millions was not in the Treasury on the 1st of January last, when the appropriation took effect. It is known and admitted that the total amount subject to distribution, after reserving five millions for the immediate necessities of the Government, exceeded thirty-nine millions; a million six hundred thousand dollars having been subsequently reported to the Treasurer, by the distant collectors and receivers of the public money, to have been in their hands on that day.

Was it necessity which swelled, at the instance of the Executive organ of the Treasury, and the majority of the last Congress, those excessive appropriations which have caused our present financial embarrassments? We cannot plead a necessity created by ourselves, as the justification of a breach of faith.

The States, it has been urged, had no right to enter into engagements dependent on the receipt of the instalments, prior to their day of payment; and the embarrassments to which their precipitancy has exposed them afford, it is said, no additional claim upon the public faith.

Could it have been designed, Mr. Chairman, that the States, which were to receive our deposites and to use them for the public benefit, should make no preparation for their use prior to their reception? The spirit and the letter of the act which we are construing forbids any such conclusion. Timely notice was given by it to the deposite banks, that they were, at fixed periods, to surrender up their trust, and to the States, that they were then to enter upon it. The very instalment of the debt of the banks to the Government, and the uses to which they had applied the public money, with our knowledge and approbation, enjoined it upon them gradually to provide for its withdrawal, and upon the States to renew, as speedily as possible, its active and beneficial employment. The greatest injury which either the banks or the States could have done to the people at large, was to permit their money to lie idle in the vaults of the one, or the Treasury of the other. (*f.*)

If it be contended, that no use of the vast sum committed to their custody should have been devised by the States, inconsistent with their plighted faith to return it to the Government when demanded, I reply that the law itself, as well as the known intention of those who enacted it, guarded the States from any such demand. The far greater part of the majority who voted for the deposite act contemplated no such return, and the last proviso of its thirteenth section rendered the demand for it impracticable. No more than ten thousand dollars of the sum deposited with the State having the largest share of the public money, as from New York, whose proportion would exceed five millions, can be called for in any one month without thirty days' notice; and but a ratable part of the sum called for in any one year can be lawfully demanded of any State. So that when New York should be called upon to pay ten thousand dollars, Virginia would have to provide about a moiety of that sum; and if a larger amount be required, an additional notice of thirty days, for every additional twenty thousand dollars, is to be given. The proportions of the total sum called for from the several States, is to be in the same ratio with the original distribution. In no one year, therefore, could more than a very inconsiderable part of the deposites be demanded under this construction of the deposite act. If such a construction be inconsistent with the title and letter of the act, it is not with its history; for, while a large proportion of those who voted for it, wished and designed to make it a simple distribution of the public money among the people to whom it properly belonged, we were distinctly in-

formed that, unless we introduced those incongruous and absurd provisions, it would encounter the Executive veto.

Mr. Chairman, I was one of that majority, and would not have given my vote for this act, had I not understood it as I have now expounded its meaning and explained its history. I well remember that, when our public lands were sold on credit, a debt of six millions became due to this Government from the inhabitants of a single State, and my attention was turned, with that of both branches of the national Legislature, of one of which I was then a member, to the impolicy of creating between the people and their Government the relation of debtor and creditor. No man looks with favor, though he may with fear, on his creditor. Debt is a source of dependence, rarely of affection.

But, if it be impolitic to permit the people to be indebted to the General Government, it is yet more inexpedient to extend this relation to the States. A debt from a State to the Union is, to its extent, a bounty offered to nullification—to disunion. I sought, therefore, early in the last session of Congress, to free the deposite act from this objectionable feature, by releasing the several States from any supposed obligation to return the public money in their keeping. I had one other object in view, to liberate them from all restraint in giving to their respective proportions of this money the most beneficial application. The education of a people should never be dependent on those accidents of war or commerce, which occasionally derange the finances of a State, however well administered, and should, above all, never be the sport of wanton or wicked experiments.

As to any constitutional difficulty in the way of such a distribution, I have been incapable of perceiving it. To tax the people for the mere purpose of distributing a surplus revenue among the States or the people themselves, I should unquestionably regard as alike inexpedient and unconstitutional, if, indeed, a measure can ever be deemed as expedient which is not constitutional. The highest expediency being ever found in reverence for that organic law, which is the guardian of all our rights, liberty, and happiness.

I regard the several States as fairly entitled to claim a distribution of those proceeds of the sales of public lands, which occasioned a surplus to be carried to the Treasury from year to year, till it amounted to a sum dangerous to leave at the disposal of any Government, however pure. The mode of distribution was suggested by the complex theory of our Government; and, although not accordant with the ratio I would have preferred, it increased the portion of those States unduly, which most needed the use of the distributed fund, and, as a compromise, I submitted to it.

I am aware that it is usual to reduce the surplus revenue, arising from the sale of the pubic lands, by charging upon it the expenses of Indian wars and treaties, and the sums paid for the acquisition of Louisiana and Florida. But I regard the extension of the sovereignty of the United States over the acquired territory as an ample consideration for the sums which it has cost; and since the discharge of the public debt, the States have become entitled to claim that surplus, under the express terms of the compact, by which so large a portion of that territory was ceded to the United States. I must totally forget the blood and treasure which my native State so freely lavished, in extending her dominion from the Atlantic to the Mississippi; that the entire country between that river and the Ohio was once the Virginia county of Illinois, the theatre of the exploits of her Clarke and his gallant companions in arms, before I can regard, with any doubt, her just title to her full proportion of the revenue which the bill on your table proposes to withhold from her treasury, in wanton disregard of the twice-plighted faith of this Government.

A more efficient argument in favor of this bill may possibly arise in a part of this committee, from an assurance given by the Executive to the representatives of particular States, that, if the fourth instalment be withheld, their banks will receive an indulgence which the States may not be willing or able to grant. I have in my eye a friend from Alabama, [Mr. Martin,] from whom I should be glad to learn whether any such assurance has been given. [Mr. Martin rose in reply, and said he had none.] The honorable member will not suppose that I imagined he had received any intimation from the Executive, which it would be improper for him to disclose. On the contrary, were my constituents situated as his, I should not hesitate to inquire how far the deposite banks might rely on the indulgence of the Treasury?

I hold in my hand, Mr. Chairman, two bills, one apparently originating in the Senate, the other in this House. They have the same title, are identical in all their provisions, and have evidently proceeded from the same source—the Treasury Department. The banks of this District, Mr. Chairman, are seven in number, and if the clemency of the Executive towards the several deposite banks may be inferred from the tenor of these bills to revoke the charters of the banks of this District, their bitterest foe could not wish them in worse hands. To say nothing of the new criminal offences proposed to be created, in what terms shall we denounce an attempt to coerce the banks of a District, ten miles square, to resume specie payments in the centre of twenty-six States, whose six hundred banks have ceased to do so, and alongside of a Government which, while it attempts to coerce them to pay specie, does not comply with its own engagements? The President and the Secretary of the Treasury have suggested to Congress the expediency of passing a bankrupt bill, to operate on all banks; and especially on those employed by the Treasury.(*g.*) The bill which lies before me is, or may be presumed to be, a sample of the proposed legislation; and, as such, it well merits the careful examination of the representatives of the Southwestern States, the condition of whose banks is least favorable to the speedy resumption of specie payments. Whether those banks are in a condition to wind up their affairs, the representatives of those States are most capable of deciding.

I discover, however, from the late returns of the various deposite banks, annexed to the letter of the Secretary of the 5th September, that the five deposite banks of the States of Alabama, Mississippi, and Louisiana, with a circulation of more than $6,158,000, and Government deposites to the extent of $3,547,000, had in specie a month ago, but $709,000, while their loans and discounts, together with their bills of exchange, exceeded $27,292,000, and their suspended debt six millions and a quarter.

I repeat, it may be well for the representatives of all those States to examine the true character of this District bank bill, since it cannot be supposed that the Executive would recommend to Congress a harsher measure towards a people with whom they and we daily associate, than for the constituents of gentlemen who reside in remote districts west of the Allegany.

One of the sections of the bill, a part of the title of which is, "To revoke the charters of such banks in the District of Columbia as shall not resume specie payments within a limited time," requires, under a penalty of a forfeiture of their charters, that "they shall resume the payment of specie for all their bills under ten dollars within sixty days, and of all others in six months from the passing of the act;" and, that "they shall, within thirty days, cease to pay out the notes of any corporation or individual which shall not redeem them on demand in specie." Another section of this bill provides, that "in case of failure of any of the banks to comply with these conditions, their charters shall be revoked, and the Secretary of the Treasury shall appoint three commissioners for liquidating and settling their accounts and affairs;" and, as if this were not enough, this section further ordains, "that such prosecutions shall be

instituted by the attorney of this District, for any violation of their obligations to the Government or the community, as the facts and the law applicable to the case may render proper, beyond what is contained in the provisions of their charter and of this act."

It is but rational to infer that these are some, at least, of the provisions which the Executive would comprehend in the bankrupt law which the Secretary's letter suggests, for the coercion of specie payments by the banks in general. Would the committee desire to know the condition of the seven banks of this District to which those provisions of this bill are to be applied? Their loans and discounts, the Secretary states, in his letter of the 3d of January last, amount to $3,157,782; their deposites to $1,385,523; their circulation to $961,798; their notes and debts of other banks to $849,222; their debts due to banks within and without the District, to $460,768; their specie to $843,532.

What portion of their circulation consists of notes of a denomination under ten dollars, I have no certain data to determine. Surrounded, as this District is, by five towns and cities within fifty miles, which have their rival institutions, the proportion of large notes in their circulation must be small. A report of a bank of Ohio, the Clinton Bank of Columbus, the capital of that flourishing State, makes its notes of the denomination of five dollars and under, two-thirds in value of its whole circulation, and its notes of five dollars comprehend about one-half of that amount. How fatal a blow the passage of such a bill would give to the credit and property of this District I leave it to the committee to imagine; but I desire the representatives of the deposite banks, in general, to look to the temper which such a proposition discloses on the part of the executive branch of this Government, before they vote for the measure we are considering. Sir, said Mr. M., I represent a people interested in whatever concerns the ultimate prosperity of this District. They find in its three cities their most convenient market; and among its citizens, persons to whom many of them are closely allied by the ties of consanguinity and habits of social and friendly intercourse. In their behalf, I protest in advance against the rash experiment contemplated by the bill on my table. The report of such a bill, by a respectable committee, wherever it may have originated, is calculated to excite uneasiness, to awaken just alarm. If it be not intended to press the adoption of such a measure, the attempt to do so is an act of wanton cruelty meriting the severest reprehension. If it speak the deliberate purpose of its rash inventors, all who feel an interest in the fate of the deposite banks should rather trust to the amity of the States who may become their creditors, States having one common interest, than to a Government which has flattered those banks in their prosperity, only, as it would appear, more effectually to work their ruin.

Mr. Chairman, I have hitherto considered the bill on your table apart from the great end for which, when I read the President's recent proclamation, I supposed we were to be suddenly convened in this city, at this unusual season of the year. I had not imagined, until I heard his message read from that desk, that this end would be regarded as of subordinate magnitude, and the necessities of the Government exalted above the wants of the people. It has been truly said that a disordered currency is, next to war, pestilence, and famine, the greatest calamity which can afflict a civilized, and especially a commercial nation; and, although the Executive has thought proper to recommend to our adoption a system of measures which, he tells us, should have no reference to the chief cause of the general distress of the country, I cannot consider any one of them, solely, in the light in which he is pleased to regard them all.

This message contains the outlines of a scheme of finance, which, whether borrowed from the Secretary of the Treasury, or itself the type of the disordered speculations of that officer, partakes, in every quality but its style, of the defects and errors of the Treasury reports.

The President claims a million for the operations of the mint, without adverting to the fact, stated in another part of his message, that the coinage had been most successfully conducted prior to the conditional appropriation of that sum to its aid. He insists upon having a permanent surplus of four or five million, in contradiction of the settled policy which, for twenty years, under the sanction, if not the requisition of law, had limited that surplus to two millions only. He not only omits to compute the debt of the Bank of the United States among the available resources of the Treasury, but, while his Secretary recommends, in a letter accompanying his message, the issue of Treasury notes to the amount of ten million, bearing an interest not exceeding six per cent., he denounces "a new loan" as a measure "which would scarcely be sanctioned by the American people."

Sir, the great evil of which the American people complain is the suspension of specie payments by the banks, and the consequent disorders of their currency. They are afflicted and perplexed, but they do not impute their misfortunes to the banks alone; looking beyond them to the remote cause of their embarrassments, the expected relief from measures which shall operate in favor of the banks as well as themselves.

The resumption of specie payments cannot be promoted by any of the measures which the President's message recommends. There is not one of them that does not directly tend to retard, rather than to accelerate, the restoration of a sound currency.

The withdrawal of the fourth instalment of the State deposites, by embarrassing the States themselves, and occasioning, in many instances, the prostration or suspension of their internal improvements, will reduce the demand for money of any description, and force home upon the banks a further portion of their depreciated notes.

The issue of ten millions of Treasury notes will produce the same effect by a different operation—by superseding the use of bank paper to a certain extent, if the views which prompt their issue be accomplished, and they supply a part of the currency. It is proposed to limit the denomination of those notes, it is true, to sums of not less than $100. But, in an abstract which lies before me, from the reports of eighty-nine banks of the State of New York, of the 1st of January, 1836, designating the various denominations and respective amounts of the bills issued by all of them, with the exception of two only, the paper circulation of the banks of that State amounted to $21,000,000, (the sum was $21,123,089,) of which the bills of $100 and upwards exceeded the aggregate of $5,000,000, ($5,015,600,) constituting near one-fourth of the entire paper circulation of that flourishing State.

The Treasury notes to be issued will scarcely maintain the identical value of the notes of the several banks of a like denomination. If bearing an interest, calculated daily to change their value, it surpasses that of the rival bills of the banks, those Treasury notes will be bought up for investment till they become due. If without interest, and of either equal or inferior value, they will displace a corresponding amount of the bank bills in circulation, and occasion to the banks on whom they are returned, a new demand for specie.

No truth is more consonant to reason, or more firmly established by experience, than that two currencies of unequal value cannot coexist in the same country. The worse will be used in preference to the better, for the same reason that in the boyish game of "Jack lives in my hand and dies in yours," the burning straw is pushed from hand to hand, until it is consumed or the flame expires.

The third measure of the Executive, the Treasury bank scheme, strikes at the banks and their currency a blow yet

more fatal, since, if it prevail, it will imply, on the part of Government itself, an absence of all confidence in their fidelity as its fiscal agents, at a time when they need its utmost aid.

Mr. Chairman, whatever may have been the causes of the suspension of specie payments by the banks, two obstacles only interfere with their immediate resumption: the pressure for specie from abroad, and the absence of confidence at home. The former is ascribable solely to the existence of a foreign debt, and can be removed in but one of two modes: by the payment of that debt, or the renewed indulgence of the foreign creditor.

The payment of the debt, if it be as large as the Secretary of the Treasury conjectures—for a mere conjecture is all that can be furnished—if it has amounted to thirty millions of dollars, and but a moiety of it has been paid, or extinguished by insolvencies, the economy of the future must gradually pay for the lavish expenditures of past years. To suspend the residue of the foreign debt while this process is maturing, the confidence of the foreign creditor in the American merchant must be renewed. But what prospect is there for such renewal while he stands condemned and unsupported by his own Government, and the very officers of that Government are holding out to him an invitation to violate the faith which binds him to the honest fulfilment of his engagements? Sir, there is a turpitude in such advice, which I have not language strong enough to denounce, and I congratulate my country that it has been spurned with indignation and scorn, by those to whom it was addressed. The credit of a merchant is the life and soul of his occupation, and he who would seek its ruin acts with a demoniac inspiration.

A Spanish monarch, during a war with England, absolved his subjects from the payment of their British debts. The merchants of Spain were ready to pour out their blood and lavish their treasure to attest their loyalty; but the pride of Castile revolted from dishonor. They paid their debts. And every dollar which has left our shores for a like office, since the suspension of specie payments, has gone to redeem the most valuable stock in all our mercantile capital—the credit of our merchants; who will never yield in reputation to those of Spain or Britain.

Whatever may be the condition of the banks to the North and West, specie-payments cannot be, everywhere, immediately resumed. They may, and I believe they will be, in the Northen States of this Union, at no distant period. In those States, the payment of specie was not suspended amidst all the commercial distress and embarrassment of our last war with Great Britain. It may not be generally recollected, that immediately after the close of that war, the State of Virginia required her banks to resume specie payments, prior to the action of her sister States or of Congress, on the same subject. A distinguished member of her Legislature, who has since occupied a seat on the floor of the other House, [Mr. Tazewell,] predicted that, on the day when the law requiring specie payments should be enforced, the main street of Richmond would be rendered impassable by the mob which would gather around the doors of the Bank of Virginia The day passed, and so little was it regarded, that inquiries followed whether it had arrived. And how could it be otherwise, since the staple commodities of Virginia were never in greater demand nor at a higher price than at this period? A favorable balance existed in her commerce abroad, and with her sister States. The merchants of Virginia needed no specie to remit; and, without her limits, those who stood indebted to them preferred the notes of her banks to specie, for an obvious reason. Such is not the present condition of the staples of the United States, of their foreign exchange, or paper currency. One aspect of the condition of the deposite banks, made manifest by the tabular statements laid on our tables at various periods, does not seem to have attracted the notice of the Secretary of the Treasury in his elaborate report at the commencement of this session. He says, speaking of their "prudence and ability," "that, between last November and May, their specie had been reduced only from fifteen to thirteen millions, and their circulation fell from forty-one to thirty-seven millions;" to which he adds, that "many of them have reduced their discounts; that their reduction, as a whole, since the first of May, has amounted to more than twenty millions."

I deduce very different conclusions from the facts furnished by this officer. In November, 1836, the loans and discounts of those deposite banks amounted, in the aggregate, to one hundred and fifteen millions. At their last returns, in August, they fell short but one hundred thousand dollars of one hundred and thirteen millions; so that the entire reduction, between the first of November and the latest returns we have, scarcely exceeds two millions. And how has this reduction been effected? By calls upon their debtors, which, in reducing their discounts two millions, have swelled their suspended debt to $12,383,000. Of this sum, as I have already stated, the suspended debt of five of those banks, situated in three of the Southwestern States, amounted in August last, to more than six millions and a quarter, while their entire loans and discounts were near twenty-three millions and a half.

The debtors to those banks, a part only of the banking institutions of those three States, have my sympathy; they have purchased the property of my constituents, at enormous prices; and I wish all possible indulgence, consistent with the public interest, to be extended to them. They are not in a condition to supply specie to the various banks who are their creditors, five of which have but $709,000 to sustain a circulation of $6,158,000, and have to pay a deposite, due to the Government alone, of more than three millions and a half.

Are they with their associates in affliction, the deposite banks of other States, proper objects of the vindictive feelings of the late and present Chief Magistrate, to which I cannot but impute the various Executive recommendations on our table?

It is impossible, Mr. Chairman, to leave this topic, without glancing briefly, at least, towards some of the causes of the present public calamity—the derangement of the currency.

Four years ago, we had a currency unsurpassed by that of any other nation on earth; and considering the vast extent and various productions of our wide-spread territory, the uniformity of that currency constituted one of the most striking manifestations of the wisdom of our free institutions, and of the value of that Union, from which they resulted, and which, in its turn, gave to them an assurance of perpetuity. We were not content with our happy condition; and in seeking to improve it, we tampered with the currency of other nations as well as our own.

By removing more than forty-three millions of the public money from the Bank of the United States, and diffusing it among the various States of the Union, we invited the multiplication of their banks, the extension of the accommodation which those banks afforded to their customers, and, as a necessary consequence, a vast increase of their paper circulation.

While the banks to the north of the Potomac, collectively taken, maintained a circulation at the rate of six and a half dollars of paper for every dollar of the precious metals in their vaults, those to the south of that river maintained in like manner an average of five and a half to one; the compound of those proportions give, as the basis of the paper circulation of the Atlantic States, one specie to six paper dollars.

The confidence of the people, notwithstanding this extension of the currency, a fact known to few of them, sustained the credit of the banks. The Executive by reitera-

ted commendations of the "prudence and ability of the deposite banks" confirmed the general faith in their solvency. (*f.*) A popular President, whose will was law, sought to do more—to increase the ratio of their specie to their paper circulation, not by a reduction of the latter, but by a speedy and great extension of the former. New mints for the coinage of gold were established, and bullion was invited from every quarter by all the influence of the Executive over the banks which it favored with the use of the public money. Congress co-operated in this policy, by augmenting the relative value of the gold compared with the silver coin of the United States, so as to induce the importation of gold in preference to silver, and to retain the former whenever the rate of foreign exchange should warrant the importation or exportation of either. The effect of this measure was distinctly foreseen, with his characteristic sagacity, by a member from Massachusetts, [Mr. GORHAM,] who traced its future operation with that simplicity and perspicuity which ever distinguished him in debate.

Our currency had been silver coin. We identified our currency with that of Great Britain, by the act regulating the value of gold and silver coins, and hung up, "in Leadenhall street, a barometer to measure its rise or fall." We entered into an immediate competition with England for gold bullion. The Neapolitan and French indemnities, due to our citizens under existing treaties, were imported in gold, when the subsisting rate of exchange did not warrant the insurance, freight, and charges of such importation.

Every dollar in value thus imported, afforded to the banks, by increasing their specie basis, the means of extending their paper circulation in a threefold proportion. The Executive Government, by pouring gold into their vaults, literally pumped out, for every dollar of specie deposited, three, four, five, and, in some instances, six dollars of paper.

Not content with a process so tardy, the Executive gathered up, by the notorious specie circular, without intending it, the specie of the seaboard, to constitute the basis of a circulation where the only commodity in the home market was wild lands, and the only product for exportation abroad, except schemes on paper for railroads and canals, maps of harbors unknown to navigation, and plats of cities without inhabitants, was that very specie furnished by the Executive, and daily, nay hourly, exchanged for the paper of banks established to receive it and profit by its use.

Two provisions of the deposite act of June, 1836, contributed not a little to the nominal, in some cases doubtless to the real, augmentation of bank capital, and to swell the current of paper circulation. One allowed the use of the public deposites, without interest, where they did not exceed one-fourth of the capital of the bank to which they were intrusted, and another required that the sum deposited in any bank should not exceed three-fourths of its capital.

By turning to the tables (see note *e.*) which have been transmitted at various times to the House, it will be seen that, between the passage of the act of June, 1836, and the ensuing November, in the brief course of five months, the capitals of the deposite banks had been augmented by the addition of no less than thirty-one millions.

It cannot be doubted, unless we discard all consideration of the usual springs of human action, but that this augmentation of their real or nominal capital was designed by the banks to accommodate themselves to those provisions of the deposite act; and, accordingly, in the same period, their deposites to the credit of the Treasurer were extended from thirty-seven to forty-five millions, and those on behalf of the disbursing officers of the same Department, from three millions seven hundred thousand to four millions one hundred thousand dollars, and the discounts and loans of the banks from seventy-one to one hundred and fifteen millions.

Such, nevertheless, was the confidence of the Treasury in the security of these deposites, that this circumstance passed unheeded, and as late as his annual report of December last, the Secretary informed Congress that "the prospect of the currency is on the whole becoming more satisfactory, even without further legislation."

It became the boast of the Executive Government, as this Treasury report announced and the message echoed, that it had augmented the specie in the country by forty-three millions, consisting chiefly of gold, yet gold was scarcely any where visible in the hands or pockets of the people; continuing to serve in all its uses as the basis of a constantly increasing paper circulation. By common consent, the precious metals constitute the standard of value throughout the civilized world; but while they impart a certain degree of uniformity and stability to the currency of the world, they constitute of themselves but an inconsiderable part of the medium of exchange in any highly commercial country.

The money exchanges of the city of London alone, were, more than thirty years ago, computed by a highly respected member of Parliament (Henry Thornton) to amount to between four and five millions sterling a day. To these were to be added all the dealings of a hundred other city and country bankers, and of a people spread over the surface of the greatest manufacturing country in Christendom. But when, on the 26th of February, 1797, the Bank of England was authorized to suspend specie payments, the whole value of the bullion in the possession of the bank, added to the amount of their bills discounted, was, in a statement of the bank to a committee of the House of Commons, reported to amount to about seven millions. In this report, the bullion of the bank, corresponding in its uses to our specie, is not distinguished from its loans; but no computation extended the former beyond a moiety of the whole amount, or to three and a half millions sterling, which, according to our present legal rate of exchange, was less than seventeen millions of dollars.

The Secretary of the Treasury, in his letter of the 5th instant, speaking of the condition of the deposite banks, tells us that, as a whole, their specie, compared with their circulation, averaged, in May last, more "than one to three, or was over the relative quantity held by all the banks in England at the same period," and "was, in proportion, one-fourth larger than that in the Bank of England."

When it is considered that, of the fourteen or fifteen hundred millions sterling of the annual exchanges in London, seventy private bankers are parties to a large share of them, and when bank paper is required, which is seldom, use it alone, issuing no paper themselves, that they keep their gold in the vaults of that bank, it may well be conceived how small a portion of specie or bullion sustains the credit system of England. The specie currency of France is, I know, computed at a much larger proportional amount, and its ratio is undoubtedly much greater, though I do not believe that it equals the half of six hundred millions of dollars, its estimated amount. It is easier, by far, to count a people, than the money in their pockets; and, as to the numbers of mankind, we have only to consult Wallace and other writers prior to the institution of a regular census any where, to perceive how loose and uncertain all such calculations are.

But, in proportion to the very small ratio of specie to bank paper, and of the still smaller ratio of both to the actual evidences of debt, and instruments of exchange, which suffice to sustain the busines of the wealthiest and most commercial countries in the world, is the danger resulting from the sudden reduction of the specie of such a country as England.

That this consideration should not have struck the late Executive Magistrate, in the midst of those efforts of which he often boasted to increase, by artificial and extraordinary means, the specie of the United States at the expense of that of Europe, and of England especially, is more a subject of regret than of surprise. But its effect has been very apparent. The common currency is the life-blood of the commercial world. Its circulation cannot be diminished, impeded, or accelerated, greatly in one country, without its effects being sensible to all. Not England alone, but France, (*h.*) and even China, distant as that country is from us, could not but feel the effect which the sudden addition of forty-three millions to the specie of the United States occasioned upon the currency of the rest of the commercial world.

Its operation on England we have realized in its most disastrous, though most natural and inevitable reaction upon our own currency—in the ruin of the first American houses in London, and the utter, though transient, as I hope and believe, prostration of all confidence in the commercial intercourse of two nations who were gradually becoming more and more assimilated by interest and affection.

I have carried my views, Mr. Chairman, of the causes of the present public distress farther than I designed; and, forbearing any other details of its nature and extent, return to a brief consideration of its appropriate remedy.

I have said that the impediments to a resumption of specie payments are to be found in the existence of a heavy foreign debt and the absence of confidence at home. The specie that sustained our paper circulation still remains; to restore its agency, we need only the restoration of the confidence of the people at home and of the creditors of our merchants abroad.

What should be the study of every branch of the Government in such a crisis? Undoubtedly to restore that confidence by every measure in its power. Let us take lessons from the conduct of other States if we are debarred, by insurmounable prejudices, from availing ourselves of the natural suggestion of our own experience. Laying aside all considerations of the agency of the Bank of the United States in preserving and restoring, when unsound, the currency of our country, let us look to the course pursued under like circumstances with our own by a foreign Government, not less sensitive to public opinion, but less free than ours; a Government with a real not a nominal monarch at its head, and with a Parliament, one branch of which is hereditary, and the other elected for a period of seven years.

The failure of the banks in the west of England, in 1793, spread consternation throughout that ancient kingdom from Land's End to the Tweed. The Parliament of England assembled, not to study the relief of the Crown, but of the people; and the result of their measures, I will read you from the author whom I have already quoted, and whose work has been, for several weeks, in my drawer, awaiting this occasion for its use.

In adverting to the events of the year 1793, this writer says, that "through the failure of many country banks, much general distrust took place. The alarm (the first material one of the kind which had for a long time happened) was extremely great.

"The success of the remedy which the Parliament administered, denotes what was the nature of the evil. A loan of exchequer bills was directed to be made to as many mercantile persons, giving proper security, as should apply. It is a fact worthy of serious attention, that the failures abated greatly, and mercantile credit began to be restored, not at the period when the exchequer bills were actually delivered, but at a time antecedent to that era. It also deserves notice that, though the failures had originated in an extraordinary demand for guineas, it was not any supply of gold which effected the cure. That fear of not being able to obtain guineas, which arose in the country, led, in its consequences, to an extraordinary demand for bank notes in London; and the want of bank notes in London became, after a time, the chief evil. The very expectation of a supply of exchequer bills, that is, of the supply of an article which almost any trader might obtain, and which it was known that he might then sell, and thus turn into bank notes, and, after turning into bank notes, might also convert into guineas, created an idea of general solvency. This expectation cured, in the first instance, the distress of London, and it then lessened the demand for guineas in the country, through that punctuality in effecting the London payments which it produced, and the universal confidence which it thus inspired. The sum permitted by Parliament to be advanced in exchequer bills was five millions, of which not one-half was taken; of the sum taken, no part was lost; on the contrary, the small compensation or extra interest which was paid to Government for lending its credit (for it was mere credit, and not either money or bank notes that the Government advanced) amounted to something more than was necessary to defray the charges, and a small balance of profit accrued to the public. For this seasonable interference, (a measure at first not well understood, and opposed at the time, chiefly on the ground of constitutional jealousy,) the mercantile as well as the manufacturing interests of the country were certainly much indebted to the Parliament and to the Government."*

Under very different circumstances, when the Bank of England was threatened, as was generally believed, with embarrassment from various causes, occurred during the continental war of 1797, the British Parliament interposed for its relief, by authorizing a suspension of its issues of gold and silver. Instead of dispensing with the use of its notes, which might have been expected to sink in the money market below par, the suspending act authorized the private-bankers to issue them in lieu of the precious metals, and made them a legal tender in all pecuniary transactions within the kingdom.

The consequence was, that, although the war continued four years longer, and with such disastrous consequences to the allies of England, the danger which threatened the bank blew over; and, although two millions of small notes were issued under the authority of the same act, to supply the place of gold and silver coin in the smaller dealings of society, both metals mingled in the daily currency with specie, at par value.

It was not till three years after the revival of the war with France, following the short peace of Amiens, or nine years from the date of the suspending act, that any public notice was taken of the depreciation of bank paper, which the policy of Napoleon occasioned, by deranging the commerce of England with the continental nations controlled by his councils and his arms.

This interposition of Parliament to protect the bank, unnecessary as it for a long time proved to be, has been im-

* The commissioners named in the act state in their report, "that the knowledge that loans might have been obtained, sufficed, in several instances, to render them unnecessary; that the whole number of applications was three hundred and thirty-two, for sums amounting to £3,855,624; of which two hundred and thirty-eight were granted, amounting to £2,202,000; forty-five for sums to the amount of £1,215,-100 were withdrawn; and forty-nine were rejected for various reasons. That the whole sum advanced on loans was paid, a considerable part before it was due, and the remainder regularly at the stated periods, without apparent difficulty or distress."

They observe that, "the advantages of this measure were evinced by a speedy restoration of confidence in mercantile transactions, which produced a facility in raising money that was presently felt, not only in the metropolis, but through the whole extent of Great Britain. Nor was the operation of the act less beneficial with respect to a variety of eminent manufacturers, who, having in a great degree suspended their works, were enabled to resume them, and to afford employment to a number of workmen who must otherwise have been thrown on the public."

puted wholly to the connexion subsisting between the bank and the Government.

The writer to whose treatise I have before referred, demonstrably shows that this supposition is without foundation. The entire capital of the bank, it is true, was vested then, as now, in three per cent. Government stocks to the amount of more than eleven millions and a half. But this investment was made and continued for the benefit of the bank itself, since the stock was at all times convertible into specie, and produced a profit that mere bullion or specie could not yield; while the Government annually negotiated with the private bankers of the kingdom loans to the extent of thrice the capital of the bank, in order to supply the means of prosecuting a protracted and perilous naval and continental war.

In one interest, indeed, the bank and the Government, as well as the people of England, were most intimately allied in preserving public and private credit from the shock of a suddenly deranged paper currency.

This Government, unlike that of England, has no direct authority over the paper currency of the United States, and I do not propose, Mr. Chairman, a direct loan from the Government to our merchants; unhappily, it would now be too late to save from ruin the many who have already sunk beneath the rage for experiment that has agitated our currency for the last four years; but I would protect the occupation of the survivors from the unfavorable exchange which is draining our currency of its specie, and has prompted the banks, universally, to lock up from general use that which they retain.

Shall I be asked how can this be done? I reply, by creating abroad the necessity of sending specie to the United States; by balancing, in other words, the demand now setting against us, by one in our favor; and this I would effect, either by instituting a temporary loan, the securities of which might and would go abroad, or by a sale in London of the bonds of the Bank of the United States, which we now hold.

The rate of exchange which at present exposes the specie of our mixed currency to a foreign drain, has varied in five-and-twenty years forty per cent.; foreign bills which have recently been twenty per cent above, having been, in 1812, twenty per cent. below par.

Since our arrival here, foreign exchange has fallen 5 per cent., and the premium given for converting current bank notes into specie has fallen, in amount, one-half; the price of the bank notes of this District, which were ten per cent. below specie in value, being now within 5 per cent. of par.

From the best intelligence we have received, though all information on such a subject is liable to great uncertainty, between five and six millions of specie have been exported to England in payment of the foreign debt of our merchants; and has contributed, with other causes, to produce that improvement of the foreign exchange to which I have referred. Instead of causing a further depreciation of our paper currency, this large remittance of specie, or gold bullion, by helping to restore confidence in the integrity and solvency of our merchants, has relaxed, as might have been expected, the pressure of their creditors from abroad, and diminished, to that extent, the demand for specie.

With this evidence before us, it cannot be doubted that a loan of six millions, by supplying the means of remittance, or a sale in Europe of the bonds of the Bank of the United States, which we hold to that amount, would most essentially contribute to the same happy result.

If it be objected that the first expedient, which is the more simple of the two, and more likely to prove efficient, would create a new national debt, I reply that we are reduced to a choice of evils; and the issue of Treasury notes, either with or without interest, is the creation of a debt to the extent of their nominal sum, whether they are made to bear interest or not. They are, some time or other, to be redeemed by their reception in discharge of the public dues, or their payment in specie.

So far as they may serve for a currency at home, they will directly interfere with the resumption of specie payments, by supplanting that of the banks. If the subject of speculation, and not, therefore, current in the course of exchange, they have every quality of the mere evidences of a national debt, without a capacity to be used for remittances abroad.

The proposition to issue such notes, it is remarkable, the late Executive message recommends, in the same breath, with which it denounces, as unpopular, the creation of a new debt; and the friends of the administration follow in the cry, and talk of a party who regard "a national debt as a national blessing."

This is but a revival of a stale slander upon the first Secretary of the Treasury, which was without the slightest foundation in truth, was both contradicted by his friends and denied by himself, but, nevertheless, uttered by his enemies, until it was believed.

But the sale of the bonds of the Bank of the United States, amounting to near six millions, and bearing an interest of six per cent., is free from any conceivable objection, except that of one of my colleagues, [Mr. JONES,] who charges the motion of my friend from Kentucky [Mr. UNDERWOOD] with an attempt to convert the Treasury into "a shaving shop." I quote his words. Has the honorable member forgot the recommendation of the Secretary of the Treasury in December last, to invest the unexpended surplus revenue in State stocks; or does he not remember, that for more than forty years of the forty-nine which have elapsed since a solid foundation was laid for the public credit, the Chief Justice of the United States, the Vice President, Secretary of the Treasury, and Attorney General, as Commissioners of the Sinking Fund, were empowered by law to purchase daily, in the money market, evidences of the public debt, which arose from loans negotiated in the same market, by one of those officers, acting with the approbation of the President? To the epithet which my colleague has applied to those ordinary operations of every Government, I have only to reply, that an epithet is not an argument, though it often conceals the want of one.

Mr. Chairman, I believe that confidence at home would result from the establishment of confidence abroad, and as remittances to the amount of five millions have raised our depreciated paper currency to within five per cent. of par, the sale of the bonds of the Bank of the United States, by creating a foreign credit of six millions, would raise that currency to par in all the Atlantic and the greater part of the Western States. It would injure no public interest, since the Bank of the United States has, for a similar purpose, offered for sale in the foreign market, similar securities, having a shorter time to run. They are now, as I understand, selling in London, within two per cent. of their nominal par value, which is six per cent. above the real par of exchange. If objected, that the bonds which we should offer in the same market are each of a very large amount, let an effort be made, with the assent of the bank, to reduce their sums by increasing their number. The president and directors of the bank could have no hesitation in so far aiding the Government, to effect a purpose so important to their institution and to their country at large, with whose prosperity their own is so intimately blended.

Such a transfer would not place their bonds in hands more unfriendly than those which now hold them, and the foreign being much lower than the domestic rate of interest, should the bank desire to prolong their time of payment, such indulgence could be more readily purchased, and on cheaper terms, in England than at home.

Viewed in every aspect, and I have long contemplated the measure I now urge upon the committee, I cannot resist the conviction that it would lead, in a few months, to the restoration of specie payments by the greater part of the banks of the United States, and the more especially, if it be accompanied by the manifestation of a temper, on the part of Congress and the Executive, friendly to the banks and the mercantile class of the community.

It does not follow, because a part of those banks have been imprudently conducted, that their debtors should be punished. So far as I have been able to learn their history, they have been led astray by the action of their own Government; they are the victims of a policy which originated with the Executive, and has been countenanced by Congress.

A leading motive to the substitution of the measure which I have labored to recommend, for the bill on our table from the Senate, is that the latter is part of a system adverse to the currency, the banks, and the country.

To sum up the whole of my objections to this bill, in a few words: it involves a breach of faith as wanton and reckless in its motives, as it will prove pernicious in its consequences.

NOTES.

(*a.*) *Thirty-first section of the act of January* 18, 1837. "That, for the purpose of enabling the mint to make returns to depositors with as little delay as possible, it shall be the duty of the Secretary of the Treasury to keep in the said mint, when the state of the Treasury will admit thereof, a deposite of such amount of public money, or of bullion procured for the purpose, as he shall judge convenient and necessary, not exceeding $1,000,000; out of which, those who bring bullion to the mint may be paid the value thereof, as soon as practicable after the value has been ascertained; that the bullion so deposited shall become the property of the United States; that no discount or interest shall be charged on moneys so advanced; and that the Secretary of the Treasury may at any time withdraw the said deposites or any part thereof, or may at his discretion allow the coins formed at the mint to be given for their equivalent in money."

(*b.*) Among the causes and remedies of the present embarrassments, the report enumerates, in the 27th page: "A foreign debt, merely commercial, whose balance against us, after all proper deductions for freights, profits, and similar considerations, probably exceeded the aggregate of thirty millions of dollars."

On the 19th page of the same report, the Secretary says, that "The objection usually urged against an early resumption" of specie payments by the banks, "that the unfavorable balance of trade against this country would, in that event, cause some of the specie in the banks to be drawn out and shipped, will, however true in point of fact, possess much less force when it is considered that the delay has not prevented the export of specie. On the contrary, considerable sums which were in ordinary circulation have, since the suspension, been withdrawn, and a portion of them sent abroad, while their place is badly supplied with depreciated paper."

(*c.*) Of former surpluses in the Treasury, the Secretary says, in the 28th page of his letter of September 5, 1837: "That surplus was often depreciated; and the only sound and legal preventives still appear to this Department to be the measure before enumerated, for preventing its accumulation; and after it had undesignedly happened, the wisest disposal of it was supposed to be, to expend as fast as useful, on proper objects of a public character; and in the mean time, not to leave it in the deposite banks, but to invest it in State stocks."

Those measures are pointed out in Mr. Woodbury's report of the 6th of December, 1836, in the following language:

"As the present surplus had chiefly arisen from an earlier sale of larger portions of the public lands than had been expected, it seemed to this Department judicious to suggest completing with it, sooner than had been contemplated, the projected fortifications and naval establishments of the country; improving more rapidly the navigation and security of its commercial bays and rivers; erecting, where needed, appropriate custom and warehouses, as well as suitable marine hospitals, court-houses, and post offices."

In the preceding annual report, of the 8th of December, 1835, speaking on the same subject, Mr. Woodbury lays down two general principles, which are suggested as proper to have a material bearing on the whole subject.

"First, that whatever mode may be adopted, it would conform to the spirit of the act of March, 1817, which has been in successful operation ever since the surpluses became likely to be large and frequent, and which required, before the investment of them in purchase or extinguishment of the public debt, that enough should be left in the Treasury to meet all outstanding appropriations, and two millions more to secure facility and promptitude in its various and distant operations.

"And, secondly, that, following the analogy of the above act, which separated the investment of any surplus from pecuniary profit, entirely from the management of the public deposites and the deposite banks, it would leave the bank agents of the Treasury, as they and all its other fiscal agents from the foundation of the Government have been left, wholly disconnected, so far as practicable, in regard to their agencies with the dangerous relation of borrowers from the Treasury, for reloaning and for private gain."

By the "outstanding appropriations," mentioned in the first of his two principles, Mr. Woodbury meant, it is presumed, as Mr. Crawford is known to have, such outstanding appropriations as would require disbursements within the year. The fourth section of the act of the 3d of March, 1819, provided "That after the year 1817, whenever there shall be, at any time after an adjournment of Congress in any year, a surplus of money in the Treasury above the sums appropriated for the service of such year, the payment of which to the commissioners of the sinking fund will leave in the Treasury, at the end of the year, a balance equal to two millions of dollars, then such surplus shall be, and the same is hereby, appropriated to the sinking fund, to be paid at such times as the situation of the Treasury will best permit; and shall be applied by the commissioners thereof to the payment of the public debt."

The balances in the Treasury after the end of 1819, was $2,079,992, and of each of the years 1818, 1820, and 1821, was less than $2,000,000, as it again was at the end of 1824. Within the eight years of General Washington's administration, the balance at the end of the year exceeded a million but twice, and never reached a million and a quarter.

(*d.*) To disembarrass an argument already overladen with quotations, the following paragraph from Mr. Woodbury's report of December, 1834, relative to the mint, is here inserted in a note, designed to confirm the views already presented of the gross mismanagement of that institution under color of a legal sanction:

"The new coinage has as yet been confined principally to the half and quarter eagles, and has equalled, in all, about three million one hundred and fourteen thousand and ninety dollars, or in four months, more than four times the annual average coinage of gold for many years past.

"The demand for other coins has also been promptly met throughout the year. To aid in carrying the new law into efficient operation, this Department, last August, placed in the hands of the director of the mint, under the act of April 2, 1792, twenty thousand dollars, and ten thousand more in September, as it was needed, and could

be, without inconvenience, spared from the Treasury. By this course, many have been enabled at once to realize funds from their deposite of bullion or coin, and the mint to continue its operations uninterruptedly, and to supply promptly, when desired, coins already prepared for circulation.

"But it is considered proper to invite the attention of Congress to a change in the law respecting the organization of the mint establishment, so as hereafter to prevent its operations in refining and coining for others from being a tax on the Treasury, and any longer swelling the large amount of our annual expenditure. This could easily be effected by imposing a duty or seignorage of about one per cent. on the prompt coinage of silver, and one-fourth per cent. on that of gold; the present coinage of copper now defraying its own expense. This would be no more burdensome to the persons holding bullion than the delay now allowed for the recoinage; and which delay of forty days, [or one-half per cent. discount, if delivered in five days,] and consequent loss of interest, could, with such a seignorage, and the advances now authorized from the Treasury, be, without inconvenience, reduced to eight or ten days, and the whole establishment be thus sustained by its own earnings, without much, if any, increased cost to either individuals or the public. But, in such case, if the cost should ever be increased to individuals, some additional inducement will be held out to prevent either the exportation or melting of our coin, which have been so great, before the late change in the law, as to have left in deposite and circulation, in this country, an amount of it not exceeding that struck in two or three out of the forty years during which the mint has been in operation. The expenses and labors of the mint, equalling, on an average, about twenty thousand dollars a year, or eight hundred thousand dollars in all, excluding buildings, have thus, except for about two years, been entirely lost to the country."

Let the reader contrast with the "smallest sum deemed proper" by the Secretary, in his letter of September the 5th, and the amount of gold coined in the present year by the employment of a million of dollars.

(*e.*) The receipts for the first six months were 5,472,482 72 dollars, and the total receipts down to a period in August, as far as intelligence had been received, amounted to $5,888,815 41. The estimate for the year was five millions only.

The situation of the deposite banks November 1, 1836.

Circulation - - - -	$41,482,897 82
Deposited by the Treasurer - -	45,059,539 31
By public officers - - -	4,318,446 00
Due to other banks - - -	24,083,161 00
Other liabilities - - -	13,700,299 00
	128,644,322 14
Specie - - - -	15,530,202 00
Capital stock - - - -	77,576,449 67
Contingent fund - - -	3,959,035 75

The situation of the deposites bank at various times.

	June 1, 1836.	Nov. 1, 1836.	August, 1837.
Loans and discounts	$71,282,000	$115,075,205	$112,902,000
Domestic exchange	37,150,000	48,897,624	17,694,000
Specie	10,450,000	15,520,000	10,580,000
Due from banks	17,867,000	26,662,000	24,683,000
Notes of other banks	10,982,000	16,412,000	9,545,000
Other investments	12,221,000	12,703,000	14,436,000
Circulation	27,967,000	41,482,000	32,626,000
Due to banks	17,110,000	24,083,000	25,083,000
Capital	45,418,000	77,576,000	81,628,000
Deposites by the Treasurer of the United States	37,281,000	45,059,000	12,944,000
By public officers	3,742,000	4,318,000	4,574,000
Other deposites	16,044,000	26,573,000	29,492,000
Other liabilities	6,763,000	13,700,000	11,066,000
Contingent fund	1,615,000	3,950,000	5,119,000
Suspended debt	-	-	* 12,383,000
Stocks	-	-	5,324,000

* Of which $7,761,000 are due to the deposite banks of six States.

(*f.*) *President's message of December* 6, 1836. The President's message of the 6th of December, 1836, opened with a congratulation of Congress "on the high state of prosperity which our beloved country had attained."

"With no causes at home or abroad to lessen the confidence with which we look to the future for continuing proofs of the capacity of our free institutions to produce all the fruits of good government, the general condition of our affairs may well excite our national pride."

"The expenditures for all objects during the year," then about to expire, "are estimated," he told us, "not to exceed thirty-two millions, and will leave in the Treasury, for public purposes on the 1st day of January, about $41,723,959. This sum, with the exception of five millions, will be transferred to the several States, in accordance with the provisions of the act regulating the deposites of the public money."

"Under our present revenue system there is every probability that there will continue to be a surplus beyond the wants of the Government, and it has become our duty to decide whether such a result be consistent with the true objects of our Government.

"Should a surplus be permitted to accumulate beyond the appropriations, it must be retained in the Treasury as it now is, or be distributed among the people or the States.

"To retain it in the Treasury unemployed in any way is impracticable.

"It is, besides, against the genius of our free institutions to lock up in vaults the treasure of the nation.

"A distribution to the people is impracticable, and unjust in other respects.

"Experience continues to realize the expectations entertained as to the capacity of the State banks to perform the duties of fiscal agents for the Government at the time of the removal of the deposites.

"It is now well ascertained that the real domestic exchanges, performed through discounts of the United States Bank and its twenty-five branches, were at least one-third less than those of the deposite banks for an equal period of time.

"Independently of these services, which are far greater than those rendered by the United States Bank and its twenty-five branches, a number of the deposite banks have, with a commendable zeal to aid in the improvement of the currency, imported from abroad, at their own expense, large sums of the precious metals for coinage and circulation."

(*g.*) The Secretary of the Treasury here reiterates the message, as the following extract from the latter plainly manifests:

"In the mean time, it is our duty to provide all the remedies against a depreciated paper currency which the constitution enables us to afford. The Treasury Department, on several former occasions, has suggested the propriety and importance of a uniform law concerning bankruptcies of corporations and other bankers. Through the instrumentality of such a law, a salutary check may doubtless be imposed on the issues of paper money, and an effectual remedy given to the citizen, in a way at once equal in all parts of the Union, and fully authorized by the constitution."—*President's message, September* 5, 1837.

(*h.*) The following extract from a report recently made by the Governor of the Bank of France to a general meeting of the stockholders, furnishes the grounds of the allusion to France. That to the money market of China is derived from a late English newspaper:

"During the second half of the year 1836, the security of commerce appeared shaken, confidence was for a moment weakened. From the month of July some symptoms of a partial distress had begun to manifest themselves. The march of our manufactures had been so rapid, that there could not have failed to arrive a period of reaction. Some exportations of coin, the importance of which was exag-

gerated, and which are now insensibly reduced, excited a certain degree of anxiety, when a crisis rather severe overtook the United States. The scarcity of specie raised the interest of money there to an exorbitant rate. It was at London that the reaction of this crisis was first felt. The Bank of England, notwithstanding the power of her means and action, and her well-known skill, found herself obliged to raise the rate of discount from 4 to 4½ per cent., and subsequently to 5. The Bank of Amsterdam imitated this example. France could not withdraw herself entirely from the influence of these events, for the commerce of the whole world is more or less responsible for all its parts.

"Although this commercial reaction only reached us second hand, and consequently enfeebled, it could not fail to develop the seeds of embarrassment which I have just now alluded to. Thus, in many towns of the kingdom, the interest of money rose to 5 and 5½, and even for a moment to 6 per cent. Money became scarce; demands for specie were addressed to Paris from different points of France and from neighboring countries. The coffers of the bank alone could furnish it. She had then to administer simultaneously to the wants of the capital and to those of the departments, as well as to those of the adjoining States. If the bank had shown the least hesitation, fears would probably have become general. The public funds which had already declined, would, perhaps, have experienced a much heavier depression; this momentary pressure might have been converted into a real crisis.

"The bank, in this situation, restricted neither the length of time which paper had to run, nor diminished the amount of her discounts. She delivered up to the circulation 108 millions of specie, and discounted 450 millions in six months. She maintained, at 4 per cent., the rate of her interest, when this limit had been exceeded by a great part of Europe. It was thus that she was able to arrest or to check a movement which seemed to be assuming a serious aspect."

Mr. RENCHER, of North Carolina, said he did not feel as the gentleman from Virginia, [Mr. Mercer,] who had just taken his seat, animated with the hope of being able to throw additional light upon the subject now under consideration, but he could not forbear expressing briefly the reasons which induced him to vote against the bill. In doing so, (said Mr. R.) I will not follow the example so repeatedly set me, of wandering into the discussion of other matters, but shall confine myself strictly to the bill now before the committee. I am called upon to surrender up a large amount of money set apart by a former act of Congress for the use of the people I represent. Before I can do so, I must be thoroughly satisfied that it is necessary for the wants of this Government; and, satisfied of that, I should not hesitate to do it, notwithstanding the deposite law. That law was passed for the benefit of the States, and I do not concur with many of my friends that it created such a contract between the States and this Government as to make it legally binding on us to pay over this money, or incur the charge of violated public faith. But we all concur in this: that the deposite law of 1836, authorizing the distribution of a large amount of public money, created a reasonable expectation on the part of the States that it would be done, unless we were prevented by the necessary wants of the Government. That necessity does not exist; and this bill is not to relieve this Government, but to reattach to it a large amount of surplus revenue, and to swell again that patronage and power of which it was deprived by the deposite law. It is not the Government, but the party now in power that cannot get along without the political influence of this public money; and I have been struck with the remarkable fact that those gentlemen who have shown most zeal in favor of recalling the fourth instalment were originally opposed to the deposite law. They were then unwilling that the Federal Government should be deprived of this large amount of public patronage, and are now most anxious, under various pretences, to recall it. The deposite law, which has been so much abused, was a most salutary measures: like the quality of mercy, it has blessed both the giver and receiver. While it has cut off from this Government much of its corrupt and dangerous patronage, it has and will enable the States to scatter blessings among their people. Where, let me ask, but for this deposite law, would now be the whole amount of the surplus revenue distributed under that law? Locked up in your broken pet banks, and put down in the Treasury report as unavailable funds.

Permit me now, Mr. Chairman, to call your attention to a brief statement of the financial condition of the Treasury. I will not trouble the committee with a detailed statement in figures. I am willing to take the report of the Secretary of the Treasury himself, the statement made by the gentleman from New York, at the head of the Committee of Ways and Means, [Mr. Cambreleng,] or the more elaborate calculations made by the gentleman from Virginia, [Mr. Jones.] These results differ a little, but none of them make the deficiency in the Treasury at the end of the present year to exceed seven millions of dollars.

The report of the Secretary states that, on the 1st of January, 1837, there was set apart, of surplus money in the Treasury, to be distributed under the deposite law, $37,468,859, including the $9,367,214, which it is now proposed to recall, and leaving still in the Treasury, on the 1st of January, 1837, $6,670,137. This balance, with the revenue already received and estimated for the present year, makes an aggregate of $27,457,319. The appropriations for the same period amount to $32,733,884. Now, suppose the administration could expend the whole of the appropriations, which I believe perfectly impossible—prodigal and extravagant as I know them to be, I do not believe it can be done—still, however, there would be a deficiency in the revenue, at the end of the year, of only $5,276,565. To this add two millions more for the Florida war and the extra session of Congress, and it would make the deficit $7,276,567. This is the extent of the deficiency; and how, let me ask, are we called on to supply it? What means are we required to place at the disposition of the administration to meet it? In the first place, we are to give up this fourth instalment, set apart for the benefit of the States, and, in the next place, to authorize the Secretary of the Treasury to issue Treasury notes for twelve millions of dollars, amounting, in all, to $21,367,214! This immense sum is to be placed at the disposal of the administration, to meet a deficiency of little more than seven millions! Will the people sustain us in such prodigality? Ought they to do it? We have been called together at a period of unusual disaster; our constituents are ground to the dust by the pressure and embarrassment of the times; and yet we are about to appropriate of their money, and create a debt for them to pay, three times as much as is called for by the real wants of the Government! This sum is double as much as is asked for by the Secretary of the Treasury. Liberal as he is in his demands upon the Treasury, he has not ventured to ask us for more than ten millions. We have been but recently rebuked from high places for granting larger supplies than asked for by the administration; and shall we, in the very teeth of that rebuke, repeat the offence?

I have spoken, Mr. Chairman, of the bill upon your table, authorizing the Secretary of the Treasury to issue twelve millions of Treasury notes, thereby creating a national debt to that amount. That bill will become a law. Whether you postpone the fourth instalment or not, we must create a national debt to that amount; and gentlemen who have advocated the bill before you on the ground that, unless it pass, you must issue Treasury notes, well know that we shall be forced into the adoption of that measure at

all events. And, much as I deprecate a national debt, and opposed as I am to the mal-administration of those in power, I shall feel it due to my country to provide ways and means to enable the Government to discharge its just obligations to the people.

You are urged to recall upwards of nine millions of dollars from the States to meet a deficiency in the revenue of something more than seven; and, as soon as you do so, you will be immediately told that this money due the States is locked up in broken banks, and cannot be made available to the Government, and you must therefore pass the Treasury note bill to meet the wants of the Government. Such has been the action in the other branch of the Legislature, and such will be the action here.

And now, sir, let us inquire what amount of public money is asked for during the first year of President Van Buren's administration. The receipts into the Treasury have been stated at $27,457,319. The bill before you proposes to recall from the States upwards of nine millions of dollars, and the other bill upon your table, authorizing the Secretary to create a public debt, by the issue of Treasury notes, for twelve millions more, making an aggregate of $48,824,533! These are stubborn facts, which cannot be denied. In the very first year of this administration, professing exclusive attachment for the people, we are asked for upwards of forty-eight millions of dollars for its support. The gentleman from Massachusetts, [Mr. ADAMS,] when at the head of the Government, was charged with prodigality and extravagance in the expenditure of public money, and upon that charge was driven from office by those now in power; but be it remembered that that administration, during its whole term of four years, expended but little more than the sum asked for during the first year of this administration. Is this the retrenchment and reform promised to the people?

I know it will be said, in reply to this statement, and said with truth, that much of the money due the States under the fourth instalment is deposited in State banks having suspended specie payment, and cannot, therefore, be made available to this Government. But this, to my mind, constitutes a strong argument against this bill. The whole amount may be made available to the States. No State in the Union could refuse to take the notes of its own banks in payment of its distributive share of the fourth instalment. For myself, I would scorn to ask any other paymaster than the banks of my own State. When the banks of a State held more upon deposite than the distributive share of that State, those banks could pay that excess to other States, whose banks did not hold upon deposite an amount equal to the distributive shares of those States. In this way, the operation might be made favorable to the banks, the States, and the people. It may be said that the banks having an excess would not be able to pass this excess to a sister State. How, then, let me ask, would they be able to pay the whole amount to this Government, demanded, as it would be, in specie, if you pass this bill? If unable to pay a part, they would be less able to pay the whole; and if the whole were demanded of the banks, what would be its effects upon the people? A sudden contraction by the banks would be the inevitable consequence. They would be compelled to call in their debts; and, instead of relieving the people, for which we have been convoked, we should but augment their sufferings, and aid in their bankruptcy and ruin.

Mr. R. argued at length in favor of allowing the fourth instalment to be paid to the States by the deposite banks, and of authorizing the temporary issue of Treasury notes for the immediate relief of the Government. Why (said Mr. R.) are we called on to adopt any measure of relief at this time? It is because you are compelled to postpone the collection of custom-house bonds till another year, and because the channels of revenue from the public domain have been blocked up by your specie circular. If no more mad experiments be performed upon our currency, we may expect better times; worse, they cannot be. Commerce will again revive, and, the specie circular repealed, the revenue from the public lands will again swell your Treasury. To this may be added a large amount of custom-house bonds postponed for collection till the next year. The revenue, therefore, for the next year, must be large, and will enable the administration in a year or two, at furthest, to pay off these Treasury notes without recalling any part of the money distributed among the States. All that is wanting is the practice of more economy in our expenditures, and I trust we are prepared to do it. Let us not preach economy to the people, while we practise prodigality towards the Government.

And now, Mr. Chairman, I have a word or two to address to my Southern friends on this subject. You and I come from a quarter of the Union which has always received a step-son's portion of the favors of this Government. In the scramble, heretofore carried on for the public money, the South has always stood aloof, because she believed many of the expenditures unauthorized by the constitution. Under the deposite law, however, we are entitled to our proportionable share of the surplus revenue, and, for one, I am determined to hold on to it. The bill, it is true, purports to be a postponement of the fourth instalment; but the gentleman from Maine, [Mr. SMITH,] with his accustomed frankness, tells you its friends intend it to be a repeal. Pass that bill, and the fourth instalment is gone from you, and you will never recover it. The public Treasury may again become full to overflowing, but no part of it will ever be applied to return to the States this equitable apportionment. It will be squandered as it has heretofore been squandered, in unequal, extravagant, and unauthorized expenditures, upon splendid edifices, new fortifications uncalled for by the public service, light-houses, creeks, harbors, and exploring expeditions. What, sir, has been the history of this Government for the last four or five years, but one of the most wanton prodigality? The friends of the administration are responsible to the country for these extravagant and unauthorized uses of the public money. They have a decided majority in both branches of Congress, and were, therefore, able at all times to check this extravagance. Look at the expedition which they are now fitting out at great expense for the purposes of exploration and scientific research. At a time when the Government is said to be bankrupt, and we are called upon to create a national debt to meet its wants, and while every breeze which has blown for the last four months from the North and the South has brought complaints of unexampled distress among the people, this administration has been spending millions for the purposes of research and discovery! The gentleman from Massachusetts, [Mr. ADAMS,] when at the head of the Government, in his great zeal for science and internal improvement, in his annual message to Congress says:

"In inviting the attention of Congress to the subject of internal improvement upon a view thus enlarged, it is not my design to recommend the equipment of an expedition for circumnavigating the globe for purposes of scientific research and inquiry. We have objects of more useful inquiry nearer home, and to which our cares may be more beneficially applied."

What the gentleman from Massachusetts considered too extravagant for his purposes, this Anministration is carying out to the very letter. Let us reform these abuses, reduce our expenditures, and bring back the Government to its ancient republican simplicity. This is the relief which the people have a right to expect at our hands.

I have but one word more, and I am done. Frequent allusion has been made in the course of this debate to the financial system recommended for our adoption in the mes-

sage of the President. He admits that the experiment performed by his illustrious predecessor, of making the State banks the fiscal agents of the Government, has signally failed. That failure has brought disaster upon the country, and we are now invited to another experiment upon the liberties of the people, by establishing a Government bank; for this sub-Treasury system is nothing more nor less than a Government bank, for the exclusive benefit of the Government and its officers. It may furnish them with a sound metallic currency, but it will inevitably leave for the people nothing but the baser currency, commonly called "rag money." It will add to the Executive Department still more dangerous and alarming powers, and place at the will and disposal of the President a thousand more Executive officers armed with the whole revenue of the country! Sir, I trust we are to have no such experiments. The people of this country are sick even unto death, both of experiments and experimenters. Lacerated and bleeding at every pore, they tremble at the thought of being again placed under an exhausted receiver, to be operated upon by political quacks. Afflicted as they are, and afflicted as they have been by those in power, they yet prefer to

"Bear those ills they have
Than fly to others that they know not of."

Mr. TAYLOR said: The subject under consideration has already been so fully and so ably discussed, that it will be difficult for me to offer any extended remarks, without occupying ground already occupied by those who have preceded me. I shall, therefore, sir, both from necessity and inclination, endeavor to be brief.

Most of the gentlemen who have addressed the committee in opposition to this bill, have commenced their remarks with a criticism, or rather denunciation, of the report of the Secretary of the Treasury. Gentlemen say they cannot understand it; that it is difficult to comprehend; that it is a labyrinth of perplexities and difficulties; and the gentleman from Ohio [Mr. LOOMIS] fears to embark in the attempt to fathom it, lest, peradventure, he might become entangled in the meshes of financial intricacy. The gentleman from Virginia [Mr. MERCER] has gone into an investigation of the report, but, I must confess, I was unable to understand the errors which he endeavored to point out. He stated, to be sure, that there was something over $700,000 of the navy pension fund, which ought not to be deducted from the first instalment due from the United States Bank, as proposed by the Secretary. He also alluded to the condition of the mint, and came to the conclusion that, instead of requiring one million of dollars for its operation, a much less sum would be amply sufficient for that purpose. These seemed to be two material points which the gentleman dwelt upon in his expose of the errors of that report. But, even supposing the gentleman correct in his views upon these points, what does it amount to? Why, do you not save enough to cover the estimate of additional appropriation for the Seminole war, which is to be provided for by a bill now on your table? so that, by adding to your available means all the gentleman proposes by these two items, the aggregate of deficit will not be diminished. Now, sir, I ask gentlemen who cannot, or who will not, investigate the report of the Secretary of the Treasury, so as to expose its errors, if any there be, if they are not bound to take the statements of a responsible officer of this Government, especially upon those points which are so clear that that they cannot be misapprehended? It appears to me they are. Several gentlemen, on both sides of the question, have presented their estimates, and I believe every one of them has come to the same result—that there will be a large deficit in the Treasury of available means to meet the current expenses of a year. And so says the report of the Secretary. Gentlemen have come to this conclusion by different processes, but they all come to the same result.

Then, sir, if this be so, what is the remedy? How shall this deficiency be supplied, and the Treasury relieved from its temporary embarrassment? The bill under consideration is deemed one among the most prominent measures of accomplishing this object. This measure has received the consideration and recommendation of the President and the Secretary of the Treasury; the grave deliberation of one branch of Congress, who promptly acted upon it, and sent it to this House; and the Committee of Ways and Means has reported it for our deliberation. Now, sir, what are the objections urged against the passage of this bill?

The first objection which has been urged, and which has been reiterated by almost every gentleman who has opposed the bill, is, that it impairs the validity of a contract—a contract binding upon the General Government, for the performance of which it has pledged its faith, and from which we cannot recede. Mr. Chairman, I am no lawyer, and with regard to those nice legal distinctions and technicalities of law which have been introduced to sustain this position, I have nothing to say. I shall leave gentlemen of the law to measure swords upon those points, for I believe this House is abundantly supplied with legal talent. I shall content myself with taking a plain, common-sense view of the subject. Well, sir, what are the facts? The law of 1836 directed the Secretary of the Treasury to deposite with the several States the money which shall be in the Treasury of the United States on the first day of January, 1837, reserving the sum of five millions of dollars, and to receive therefor certificates of deposite, pledging the faith of the States for the safe-keeping and the repayment thereof, according to the condition of the act "for the purpose of defraying any wants of the public Treasury." This act, so far, is only binding upon an Executive officer of the Government, directing him in what manner to dispose of the public funds for safe keeping; and he was bound to execute it, so far as was practicable.

Now, sir, what is the next step in this process, to make out what gentlemen call a contract binding upon this Government? I shall follow the example of my colleague, [Mr. PARKER,] who referred to the State of New York to illustrate his views, and who presented to the House a correct statement of the effect this bill will have upon the people of that State. I have not before me the law of that State making provision for the disposal of its quota of the surplus, neither am I able at present to obtain it; but I state from recollection, that the enactment commences by saying that "the money which has been, or which shall be, deposited with this State for safe-keeping," &c.; and this is the point to which I wish to call the attention of the House. There is nothing definite either in the law of Congress, or of the State, as to the amount of money to be deposited. The State agrees to receive for safe-keeping such an amount as the Secretary of the Treasury shall deposite with it, and to return it in limited amounts when called for by "the wants of the public Treasury." Thus far it will not be pretended there is any contract entered into between the parties, by which the faith of this Government is pledged to deposite with the State any amount of money, or by which the State has a right to claim any amount. Either party has a right to recede, to repeal its law. When, then, is this contract made? When is it consummated, if there be a contract? Certainly not until there is money deposited with the State, and a certificate of deposite given therefor. Then the faith of the State is pledged for the safe-keeping of so much as is deposited, and for its return when called for, agreeably to the terms of the law. But does it go beyond this? Is there any contract for a dollar more than is covered by the certificate of deposite? It appears to me not. And I ask gentlemen, I ask my colleague, [Mr. SIBLEY,] who so ably and eloquently argued this point, if there is any contract for a single cent beyond this? Is it any thing more than a

mere certificate of deposite, given by the State for the amount received? If the law of 1836 is what it professes to be—what it was then declared to be—an act of deposite, for the safe-keeping of the public treasure until it should be wanted for any purposes of the Government, I hold it is competent for Congsess, at any time, to direct the Secretary of the Treasury to discontinue to make further deposites with the States, and to appropriate it to such objects as the public service may require. These, sir, are my views of the much talked-of contract.

Mr. Chairman, I am not one of those who voted for the deposite law. But I do not take ground in favor of the passage of this bill because I was opposed to the act of 1836. The law having passed, I have never felt any disposition on this account to throw any obstacles in the way of its complete fulfilment, were it in my power to do so. And none would be more gratified than myself to believe that no necessity now existed for arresting its progress; and none will more sincerely regret any inconvenience which the States, or the people of any of the States, may experience from the passage of this bill. But, sir, I take other and higher ground. We have not the means of making this deposite. The Treasury does not possess them. If you take all the means in the deposite banks subject to draft, you have not enough to meet this call. It is not to be inferred that, by withholding this fourth instalment, you replenish the Treasury to that amount, as seems to be intimated by statements which have been presented; for much of that on deposite in the banks is not at present available; and, besides, we have on our tables a bill authorizing the Secretary of the Treasury gradually to withdraw the public money in their hands, in such manner as may be convenient for them, without oppressing them; and if the Treasury drafts shall not, or cannot, be met by them when presented, the Secretary is authorized to give them suitable time, by receiving interest, and additional security. So, then, it is manifest that the amount of money you detain from the States by the passage of this bill is not now available, to any large extent, for the means or the wants of the Government. But it relieves the Treasury from much of its present embarrassment. It saves the Secretary from the necessity of further efforts to transfer to the States every dollar that can be obtained to the detriment of the public service. It disembarrasses the Treasury, as far as it goes, and that alone is a very important consideration at this time.

Mr. Chairman, I have heard much about the passage of this bill oppressing the people; and one gentleman even went so far as to say, he would entitle it an "Act to oppress the people." How oppress them, sir? In what manner? You but detain in the Treasury that which its immediate wants require: you relieve it from the embarrassment of attempting, at this time, to distribute nine or ten millions of dollars among the States for deposite. Sir, do the people of these United States feel themselves oppressed because you do not distribute among them every dollar you have in the Treasury? Ay, more, borrow millions for the purpose of distribution? Is this the estimate gentlemen make of the intelligence and patriotism of the people? If so, they greatly underrate them. They possess different views of the objects for which this Government was organized. They will never consider themselves oppressed by your taking care of the fiscal affairs of that Government which they have instituted, and to the maintenance of which they are devoted.

It has been said that this bill will oppress the banks—will cripple them in their ability to accommodate the public. But, sir, how will it oppress or injure them? Gentlemen proceed on the supposition that if the instalment is paid, the States would accept drafts on the deposite banks, which would be more convenient for the banks; but otherwise, the banks are to be called upon for payment in specie, which they cannot meet; and with this demand upon them, they could not afford accommodation to the public. It may be true that those States where there is sufficient money deposited might accept drafts on deposite banks, which would be more convenient for the banks to meet. But would the States not so situated accept drafts on distant banks, take their depreciated paper, and obligate themselves for the repayment of the full amount? I think not. But, although the banks are under obligation to pay all their deposites in specie, if demanded, and much of which has been received in specie, the course hitherto pursued by the Secretary, and the bill to which I before alluded, should it become a law, show conclusively that the banks will have extended to them every accommodation, consistent with the public interest, in making payment of the deposites to the Government. Since the suspension of specie payments by the banks, millions have been drawn from them by the acceptance of drafts given to the public creditors in a manner satisfactory to the holders, without having paid a dollar in specie. And such, doubtless, will continue to be the case, to a considerable extent at least. So, then, I am at a loss to perceive how the passage of this bill can cripple the banks, and thereby lessen their ability to accommodate their customers.

Now, sir, if this bill shall not pass, I ask gentlemen opposed to it, how is the deposite of the fourth instalment to be made to the States? It will not be contended that you have the means in the Treasury at command. Then how will you do it? Will you borrow the money? Will you use the credit of the Government for this purpose? Will you raise money in any manner, either by taxation or on the credit of the Government, for the purpose of deposite with the States, to be immediately called back, or for distribution? Will you issue Treasury notes for this express purpose? That is the way I understand many gentlemen propose to accomplish this object. I ask then, sir, by what authority, upon what sound principle of constitutional legislation, will you raise money on the credit of this Government, for the purpose of distribution? I call it distribution, though the law calls it deposite, for such is the expressed language of gentlemen of the opposition; and the gentleman from Virginia [Mr. Mercer] said, when he voted for the law, he designed it as an act of distribution; he meant it as such, and the States had a right to the money. I take them, then, at their own expressed understanding of the law, and again ask, whence do you derive your authority to raise money for the express purpose of distribution? Will you find it in the constitution? Sir, in my opinion, it would be a palpable violation both of the letter and spirit of that sacred instrument. It would be a perversion of the objects for which this Government was formed. Gentlemen may cover the design, by saying they raise money to enable the Government to carry on its fiscal operations, in which this will be included. This would be a roundabout way, an indirect mode, of arriving at the same object. With the understanding of the intent and meaning of the 13th section of the deposite act, as has been frankly avowed upon this floor, it would be indirectly doing what I am well assured you could never get a vote of this House to do directly; and if it had been supposed, at the time the deposite law was passed, that it was to be a distribution act, it never could have received the vote of a majority of this House, or the sanction of the then Chief Magistrate. Is it true, sir, that the power in question is to be derived from "the general welfare" clause of the constitution, as seemed to be the opinion of the gentleman from New Jersy, [Mr. Halsted?] Why, sir, take that clause in that sense, and you may make it cover any and every thing that one can possibly imagine may be for the general welfare; and with the selfish feelings of men, their notions of "general welfare" are too apt to centre very near home. Every project, no matter how visionary, whe-

ther among the enumerated powers of Congress or not, would be embraced under it, and the barriers of the constitution trampled under foot. If such are the views of the gentleman, the question which he raised with reference to himself may, I imagine, be easily settled; for no democrat will assent to such a latitudinarian construction of the constitution.

Mr. Chairman, it has been asserted by gentlemen that some portion of this money may become available by retrenchment—by withholding expenditures under the appropriations of the last Congress. Sir, the Secretary of the Treasury has told us that, when the revulsion in the mercantile affairs of the country commenced, or became seriously felt, in May last, a minute and critical examination was instituted of the various items of appropriation, to ascertain what could be deferred in order to relieve the Treasury from anticipated embarrassment; and "the result was, that enough could and would be postponed till next year, to amount to about $15,000,000." And upon this basis, his estimate of the condition of the Treasury for the last quarter was made. This, it appears, in his judgment, is all that could be postponed. Those who propose to relieve the Treasury in this way have not selected the items which they would postpone, and I apprehend it would be difficult for them to do so; and should a proposition be brought forward for this purpose, it would take three months to select and agree upon the items, considering the various interests involved, and the discussion that would grow out of it, while immediate action is needed to provide for the indispensable wants of the Government.

I have heard much in the course of this debate about "measures proposed for the relief of Government, but none for the suffering people." Here is a theme on which gentlemen seem to dwell with great pathos and zeal. Sir, I would ask gentlemen what they mean by "affording relief to the Government, and none for the people?" What is your Government, but the Government of the people, instituted by their choice, and for their own exclusive benefit? Your army is the army of the people, for their protection, for the protection of your coast and your frontiers, your homes, your firesides, and your altars, when threatened by danger from without. And this army must be provided for. Your navy, designed for the protection of your wide-spread commerce, extended over every sea, is the navy of the people. Your appropriations for harbors, light-houses, and the improvement of your navigable waters, are for the people, for the benefit of their commerce. Your relations with foreign Governments, maintained at considerable expense, are for the preservation of the rights, the honor, and the dignity of that Government which the people have established. Talk about separating the Government from the people, as though they possessed separate and distinct interests! Why, sir, what did the people send us here to do? Do they ask you to pay their debts, or to make appropriations to relieve men who have become involved in ruinous speculations? No, sir. We are but the servants of the people, sent here to make the necessary provision for the expenses of their Government, and to adopt such measures as shall best promote the public welfare, within the constitutional limits assigned us. And this they expect us to do. But they have not become such sordid worshippers of Mammon as to sacrifice all these high public considerations, and to expect or wish us to legislate for the relief of private embarrassment, or to scrape out every dollar from the public Treasury, and distribute it among them. When gentlemen complain that no measures of relief to the people are proposed, I would like to know what measures of relief they have in view—what do they propose? After the President's message had been read in this House, it was then stated that it contained no plan for the relief of the people.

The chairman of the Committee of Ways and Means, in his place, said he hoped gentlemen would be as bold and frank as the President had been, in bringing forward their measures of relief. The reply was, "we shall offer no remedy—we have no measures to propose." Sir, I had heard that this was to be the course of policy of the opposition; before I started for this place, I had seen it in the newspapers; it has been announced here. And, while it has been said they would propose no measure of relief, it has been believed they would oppose every proposition the administration or its friends should present. But this I hope and trust will not be so. I hope gentlemen will not be controlled by considerations so narrow, as to oppose every thing and propose nothing, thus keeping the country in continual agitation and suspense, that they may ultimately arrive at that object which they have so much at heart—a charter for a United States bank. This, sir, is the only remedy, the only relief measure, which I have heard suggested by that party, either here or elsewhere. It is with them the grand panacea that is to remove all political and pecuniary embarrassments. But, sir, I apprehend the period is too far distant for relief to come through this channel. The resources, the energy, and the enterprise of the country, are too great for the people to remain embarrassed and distressed long enough for this event to happen; they will not soon be induced, from panic and pressure, real or fictitious, to throw themselves for relief into the arms of an institution, which so recently they have found a most formidable enemy, boldly entering the political arena, and doing battle with the powerful weapons of wealth and influence, against the administration of the country. And the sooner the friends of a national bank settle it in their minds that the people of these United States will not yield to their wishes in this respect, and act accordingly, they will, in my humble judgment, remove one of the obstacles in the way of a speedy return to a sound, healthy, and prosperous condition of the business of this country.

But, sir, are there no measures of relief proposed by the administration and its friends? The greatest suffering, since the commencement of the revulsion and pressure in the business of the country, has been, I believe, with the mercantile community. The great agricultural interest of the country has suffered comparatively little; it is, in the main, in a prosperous condition. It is, then, from the former class whence the cry of relief most loudly comes, and it is more directly for their benefit that measures are proposed; and, for one, I am willing to do any thing for their relief, or any other portion of my fellow-citizens, consistent with my notions of public duty, and the trust reposed in me as a representative upon this floor. But there is a constitutional barrier which I should not, and which I cannot pass. I find, sir, upon my table, a bill from the Senate to postpone the payment of duties on the merchants' bonds—a most important measure for their benefit. Another, to remit the duties on goods destroyed by the fire in the city of New York. Another for the issue of Treasury notes to the amount of ten millions of dollars, or so much thereof as shall be required by the wants of the Treasury, which cannot fail, not only to aid the merchants, but to be at this time of great public accommodation; and another bill, regulating the settlement with the deposite banks, to which I have before alluded. And yet, gentlemen say, no measures of relief are proposed! But, sir, I will pursue this subject no further, for it was not my intention to notice all those sweeping charges which have been brought against the administration and its policy, but to endeavor to confine myself to the subject under consideration. One word, sir, as to the amendment of the gentleman from South Carolina, [Mr. Pickens.]

I suppose all those who will vote for the amendment, but are opposed to the bill without it, abandon the ground of a contract binding the action of this Government; for

if you can, by enactment, postpone one year, you can five, ten, or indefinitely. It becomes, then, merely a question of expediency as to time; whether it shall be fixed for some future day certain that you will deposite with the States over nine millions of dollars; or whether, by an indefinite postponement, you will leave it for Congress hereafter to be governed by the condition of the Treasury. For the present purposes of the Treasury, the amendment will accomplish all that would be accomplished by the original bill. It will afford the temporary relief desired; but as to the future deposite with the States, I prefer leaving that for Congress to determine hereafter. I am unwilling to hold out to the States the expectation that this deposite will be made on the 1st of January, 1839, when, perhaps, at that time, you will have in the Treasury no money to deposite; and especially am I opposed to pledging the faith of this Government that it shall be made at that time, whether we have the means or not, as proposed by the honorable gentleman from Massachusetts, [Mr. ADAMS.] I cannot consent, by my vote, to pledge the faith of this Government to any such measure. My colleague [Mr. FOSTER] inquired if it was not the intention to carry out the provisions of the law in making the last instalment, sooner or later? So far as my vote is concerned, I do not intend it shall be given to deposite money with the States for safe-keeping when you have none in the Treasury to deposite, and may have to resort to a loan, or other means, to raise it for that purpose. I hold the law to be, what it was professed to be, a deposite law, for the purpose of withdrawing from the banks a large amount of surplus money, which had accumulated in their hands, and depositing it with the States, where it would be more safe, as well as more advantageous to the public interest; and I choose not to regard it in any other light, whatever others may choose to call it—either a gift, distribution, or loan, by which the States have a right to claim it, or to be quoted hereafter as a precedent which would be of dangerous tendency. I prefer, therefore, the bill in its original shape, leaving the question of time to the future action of Congress, when there shall be a surplus on hand to deposite. But if the amendment prevail, I shall vote for the bill as amended; not regarding it, however, as pledging the faith of the Government that the money shall, under all and any circumstances which may exist, be paid to the States at that time. Having detained the committee longer than I intended, I will only add my hope, that we may come to a speedy action upon this subject, and that the bill will receive the approbation of a majority of this committee.

Mr. BOND, of Ohio, said he felt constrained to protest against the proposed bill, which, if passed, would not only disappoint the hopes of his constituents, but he feared must greatly affect the interests of the State which he had, in part, the honor to represent. In doing this, he said, it was not his purpose to detain the committee long.

Ohio, with other Western States, had participated but very little in the benefits of that vast expenditure of public money which had characterized this country for some few years past. The system of internal improvement by the General Government had been abandoned, except in such shape as to render it odious. Mr. BOND said he was free to confess that he would sooner see that system utterly abandoned than retained with that alarming feature which surrendered the exclusive regulation of it to the President. Sir, said he, it has been the studied policy of the party in power, for the last eight years, to strengthen the Executive arm! All means, and every construction, both of the constitution and law, have been seized in aid of this power, whilst a deceitful reluctance to use it was avowed. Internal improvements were tolerated, if of a general nature: but who decided this? The President. A tariff was lawful, if judicious; but the President alone could determine whether it was judicious or not.

Add to this the unqualified right of removal from office, which is claimed for that officer, and I appeal to you, Mr. Chairman, if, in these latter days, there is not a fearful concentration of power in one man? His will, his *sic volo, sic jubeo*, controls all the great measures of the country.

Coming into power with professions of economy and reform, as the present dominant party did, does it not occasion just surprise to see a system of appropriations adopted extravagant in amount beyond all former history, and exceedingly partial in their operation? The interior States, and those in the West in particular, have enjoyed but few of these favors. One object alone in the city of New York (I mean the custom-house) involves an expenditure of about two millions of dollars.

But, sir, in despite of this unexampled system of extravagance, our Treasury, in the year 1836, was overflowing; and it became a question of interest to decide how, even after meeting all the vast expenditures of the Government, we should dispose of the surplus. I was among those who thought it should, in some way, be placed, in just proportions, at the disposition of the States.

We thought it unsafe to leave it in hands already too powerful, and that it might be safely and beneficially employed by the several States. This measure was proposed; but how was it received by the administration! Again and again it was denied that any surplus existed. The chairman of the Committee of Ways and Means [Mr. CAMBRELENG] boldly asserted on this floor that the exigencies of the country required every cent of the public money; and so hostile was he to any division of the surplus among the States, that he declared he preferred seeing it sunk in the mighty deep.

I need not remind gentlemen of the reiterated opposition of the administration print in this city, (the Globe,) which, at this time, poured forth violent editorials, condemning the measure, coupled with studied denials that any surplus would exist.

In another part of the Capitol, a distinguished Senator from New York [Mr. WRIGHT] declared, in his place, that the Treasury would not be more than adequate to the demands of the Goverment. I find, sir, among the publications of that day a speech of that gentleman, in which he arrayed, and presented in solid column, as if to alarm the timid, a most imposing category of all the different bills which the extravagance of the party had presented for consideration at that session in either House. It was, indeed, a fearful list, and furnishes an apt commentary on the pretensions of those who came into power on that deceitful and greatly-abused hobby of economy and reform! One of these bills, I recollect, was introduced by a committee, whose chairman said, on this floor, in reference to it, that it was so universal in its provisions as to have some appropriation in favor of the district of almost every member of the House. I believe, sir, that it was never expected that all these bills would pass; but they were used as an available means of defeating the passage of the deposite bill.

Coupled with these measures, inquiries were gravely sent from the Senate Chamber to the different Departments, to ascertain the maximum which they could severally expend. Yes, sir, not how little, but how much of the people's money they could use. And another member of the Senate, [Mr. BENTON,] by way of finding employment for this money, proposed to institute a most magnificent scheme of military defence, which would have given but little to the West, and, in the end, might have entailed on this country, as one of its consequences, a large standing army, and subjected us to an odious and oppressive system of taxation. I rejoice, sir, that all these attempts to defeat the division of the public money were foiled. After appropriations enormous beyond all past experience, the administration had finally to admit that there would be a residuum. But still they were unwilling to send it to the people.

Next in review, and from that same Senator, who was for absorbing the treasure in his array of bills before alluded to, we see a proposition to invest the surplus in stocks! Yes, sir, it was seriously and gravely proposed that these United States should turn broker, and enter into competition with certain gentlemen who have obtained for themselves the unenviable cognomen of *bulls* and *bears* of Wall street! What answer will be made to this by the worthy gentleman from Virginia, [Mr. JONES,] who addressed the House a few days since on this subject? He could not consent that the Government should now sell the bonds which it holds for the deferred instalments on the sale of its stock in the late Bank of the United States, when it was the wish of "the party" to subdue the bank and bring it into public odium. It was openly declared that it was unsafe either to retain the stock held by the Government, or continue to make the deposites in that institution. A confidential friend of the President was empowered, by him, to investigate the state and business of the bank, with a view to action on these points. The agent was a highly honorable, intelligent, and just man, and, withal, a strong personal friend of the President. He made this examination without limit or restraint. The result was creditable to the bank, but disappointed its enemies. The attack was, however, renewed before Congress by message, and a verdict equally honorable to the bank returned. Regardless of all this, the public money was withdrawn, and placed where the law never authorized it. That same party who had declared the stock held by the Government in that bank to be in danger, at length obtained a law for its sale, and then actually declared it to be worth not only its par value, but fifteen per cent. beyond it, and sold it at that advance to the Pennsylvania State Bank of the United States, taking the bonds for its payment, to which allusion has been made. In despite of all the violent and harsh means taken to depress the institution, these bonds could be sold for cash, and without loss. If, then, the Government really needs money; but, above all, if you are sincere in your avowed purpose to be clear of all connexion with banks, why not dispose of these bonds instead of issuing Treasury notes, or borrowing money? Why not do so, and apply the means to the preservation of your pledged faith to the States under the deposite law? The gentleman from Virginia [Mr. JONES] says he is unwilling to do so because it will subject the Government to the imputation of acting in the capacity of broker! I cannot see the occasion for this fastidious delicacy. In what does it differ from the sale it did make of the stock of the bank, or from raising money on its own scrip, as it has often done, or from what it now proposes to do on Treasury notes?

But if the objection of the gentleman be sound, it carries certain condemnation to the Senator from New York. These gentlemen are of the same political party, and seem to act with great identity of feeling in all the leading measures of the administration. The proposition of the Senator in question not only subjected the Government to do the office of broker, but would have made a vast addition to the power and patronage of the Executive. Stocks were to be bought and sold, and the President, wielding, as he would have done, some forty millions of dollars, would have held the place of giant broker and unrivalled regulator of the stock market. The stocks of an offending State could be depressed, whilst those of a more subservient sister were elevated. But, sir, here again I rejoice that this monstrous project was defeated. During a long and protracted session of Congress the attention of the people was drawn to the subject, and a unanimity of feeling from all parts of the country demanded the division of the money among the States, and received the obedience of Congress.

The bill passed, sir, but it had not the willing support of the administration—it was extorted by the united and loud acclamation of the people. It was, indeed, obstinately, and to the last, voted against by those who so signally exerted themselves to defeat it. But, Mr. Chairman, strange as it may appear, the organ of the party, (the Globe,) the very instant afterwards, claimed the credit of the measure! Let us now see how it has been executed. The provisions of that bill are familiar to us all, and this House was informed at the last session, by the Secretary of the Treasury, that he had set apart, on the 1st of January, 1837, the sum of $9,367,214 98, to be deposited with the States as required by that law. Each State has been expressly notified by the Secretary of her respective share of that sum, and of the time when the several instalments would be paid. The States have solemnly legislated on the subject, and have agreed to accept the money; they have done more—they have appropriated and pledged it to high and benevolent uses, at least many of them have. We, in Ohio, have done so: a leading object with her has been, to derive from this fund permenant means of securing general education to her rising and future generations. Engagements have been made upon the faith of this law, and this fund permanently pledged for these great and sacred trusts. The law has been partially executed; three-fourths of the promised sum has been already paid. And, Mr. Chairman, gentlemen may, if they please, refer to the letter of the deposite act, and say it was not intended as a measure of distribution. The manner in which the different States received that act, and the permanent uses to which they pledged that money by their legislation, give the best interpretation of the sense in which it was viewed by the people. But even in its execution the Secretary of the Treasury did, in my judgment, deprive the States of a part of the sum which, under that law, they were justly entitled to. In his late report, he says that the actual sum reserved in the Treasury on the 1st of January, 1837, was $6,670,137 52. The deposite law only authorized him to reserve five millions; but he went beyond it, and thus deprived the States of more than one million six hundred thousand dollars. The Secretary explains this by saying that he did not receive the returns from the banks until after the 1st of January. That may be; but still, when received, they proved the money to have been in the Treasury on the 1st of January, 1837, and he ought to have reserved it accordingly. The Treasury accounts must be greatly confused, if the amount referred to was omitted. These accounts are, it is true, rendered mysterious, and we are told by the chairman of the Committee of Ways and Means [Mr. CAMBRELING] that they have become a science, and that we must study them. Indeed, he adds, that, after fifteen years' constant application on his own part, he still finds it no easy task! I fear that the chief difficulty in the whole affair results from the mystery unnecessarily thrown around these matters, rather than any intrinsic perplexity in the subject itself. The report of the Secretary was certainly designed by the law, requiring it to be so stated as to be easily understood.

But to return to the amount which the Secretary, from some cause, did not discover to be in the Treasury, though, in effect, it was there on the 1st of January, 1837. It was clearly embraced both in the spirit and letter of the deposite law, and it was the duty of the Secretary, the moment he discovered the omission, to have added it to the amount before set apart by him, and notify the States and Congress of the fact. My own belief is, sir, that he would have done so if he had been a friend of the deposite law.

But Mr. Chairman, I fear every occasion has been seized to defeat and disappoint the wishes and hopes of the friends of this measure. And not only was the sum of one million six hundred and seventy thousand dollars improperly excluded, as I think, but the Secretary has, without authority, used a large part of the fourth instalment now due,

and urges the passage of a law withholding or postponing that entire instalment!

Sir, the Secretary of the Treasury had no right to use one cent of the money which he had set apart for the States under the deposite law. That money was specifically and sacredly pledged and appropriated; no subsequent act of appropriation was designed or intended to conflict with that measure. Neither the letter nor spirit of any other law did conflict with it; and I cannot now discover any reason for postponing the payment of this fourth instalment to the States, unless it be that the Secretary, having improperly used the money, wishes to make good his retreat, and escape the censure of that act, by extorting the present bill from Congress, on the allegation of an exhausted Treasury. I am unwilling to afford him any such shield; he has transcended his power; he has seized the money of the people, and diverted it from those great and benevolent objects for which it was designed, and on him and the President let the responsibility rest.

It is admitted by the friends of this bill that it is their duty to assign reasons for its passage. What do they urge? They say the Government wants the money. Yes, sir, and so they said before the passage of the deposite law. But of what use will this fund be to them, admitting even that the Treasury is impoverished, of which, after all explanations, I do honestly doubt? The fund in question, I mean that poor pittance of it which the Secretary has not used, is not in a condition for immediate use by the Treasury, at least the Secretary says he cannot use it, because it will not be paid in what he calls "legal funds." How, then, will the passage of this bill aid the Treasury? This reason is deceptive; and it does seem to me to be highly inexpedient to disappoint the States in the fulfilment of their just expectations. Gentlemen may indulge themselves in believing that they do not violate a contract, and that the mere letter of the deposite law admits of the proposed bill.

The gentleman from New York [Mr. TAYLOR] admitted that the deposite act, and its acceptance by the States, did amount to a contract, so far as the same had been executed by the payment of the three first instalments. But he added, with some apparent exultation, that, though he was no lawyer, it was clear to him that the law in question did not constitute any contract for the fourth instalment, that being yet unpaid. I mean no disrespect to the gentleman when I say that, in my judgment, the absurdity of this position confirms the fact stated by him, that he is no lawyer. The law is entire, and contemplates the payment of a gross sum, but divides it into four instalments. If valid as a contract at all, it is so for the whole. I cannot agree that, so far as we perform an engagement, we are bound, but that we are dischared from the executory part by our own want of faith. I beg to inquire why the payment of this money to the States was provided for in instalments? Was it to accommodate the Treasury? By no means. The true secret is this, sir: The public money had been improperly withdrawn from the Bank of the United States, and placed in certain State banks. It was proclaimed that these banks would render the same, or even greater, fiscal aid to the Government than the Bank of the United States did. In the party newspapers of the day, and in the official papers of the then Secretary of the Treasury, these State banks were openly stimulated to discount on and lend the public money. When the deposite bill passed, it was admitted much of this money had been lent, and could not suddenly be recalled. As the Government itself had, in a great degree, prompted the use of the money, it was thought unjust to recall it suddenly. Hence sir, the provision for the deferred instalments. If it could have been controlled, the whole amount would have been required to be paid on the passage of the law.

I will not dwell on the argument which, I think, fully establishes these laws as constituting a contract. It has been well illustrated and sustained by other gentlemen. Those who wish now to withhold this money from the States may, if they please, rely on the technical letter of the law. I go for the spirit of the case, and for meeting the just expectation of the country. I call the attention of the House to the laws passed by the different States on this subject, by which the whole amount of each instalment has been appropriated in advance. It is said that the State of New York entered into solemn engagements for the disposition of this fourth instalment, which she must now in good faith keep, and, to do so, will obtain the means elsewhere, if you disappoint her in this payment. Ohio, too, my own, my favorite State, has, by her legislation, looked to this fund as furnishing permanent means of general education within her borders. Will you now disappoint the hopes of her people? Will you take from her the means of lighting the lamp of genius in the humble cottage? Is the demand for your countless and extravagant appropriations so urgent that this poor pittance must be withheld? Is it not rather a pretext seized by those who originally opposed the distribution now to defeat its execution? The uniform character of the legislation of the several States on this subject fully expresses the understanding which the people had of that law.

Do you suppose, sir, that the States would have thus acted, if they had imagined the money was to be recalled, much less if it was not even to be paid over to them? I wished then, as I now do, for an opportunity to vote on a proposition for its direct relinquishment. I am against any postponement of the payment. It is better to settle this question at once, than to reserve it in such manner as to bring a periodical debate into Congress. Gentlemen say they object to collecting money to be divided among the States, and allege that it is but taking money from one pocket to put into another. Sir, I would not myself raise money for such express purpose, nor was this money collected with that design. The case is this: The States united in government for a common purpose, under one constitution. On looking into their Treasury, they find that, under their system of finance, a greater sum is collected than the wants of their Government require. Is it safer to leave this money where patronage is already too great, where it may lead to the abuse of power, and tempt to the violation of trusts, or shall it be divided among the States on some just principle of apportionment, and applied by them to great and benevolent objects, over which the General Government disclaims power? I preferred the latter. A few gentlemen, some forty or forty-two, came to the other conclusion; and you now find such of them as are here, desirous of establishing the propriety of their opposition to that bill by their zeal for the present measure. I, sir, am the less inclined to credit the necessity for this measure, by the very circumstance that it emanates from, and is chiefly sustained by, the pertinacious enemies of the deposite law. It is well questioned, whether, if the true state of the Treasury were ascertained, this fund would be needed, even if not already pledged to the States. But, be the state of the Treasury what it may, I cannot pass over the inconsistency of the Secretary in invoking to his present aid a fund which he intimates is not in a condition to avail him. The Secretary tells you, too, that this measure will disappoint the States. Then why do so, when you have not even the hope of relief to the Treasury to justify you? Besides, among other measures of relief now proposed, is the bill for the issue of Treasury notes. Why not, if you will pass such a bill, issue these to an amount sufficient for all purposes, and relieve yourselves from the imputation of violated faith?

And now that I have named the Treasury note bill, I will express my astonishment that, after such repeated professions of dislike for all paper money, the administration

should itself be the means of giving it currency. Have you not promised the people that you would give them hard money—a gold and silver currency? Why issue notes then? If your Treasury is exhausted, create a loan, borrow the money. The issuing of Treasury notes is but creating a loan by indirect means. Then, why not do it directly? Advertise for a loan, to be taken in gold and silver, and thus let the people plainly see what you are at. The truth is, it is not designed to carry out what you profess.

Mr. Chairman, for what purpose are we now here? Why has the President convened us at an extra session? His proclamation gave us to understand that we were to have great and weighty matters submitted for our consideration. I knew, indeed, that the whole country had been overtaken by a common disaster, and was suffering; that its currency and exchange were wholly deranged; and that we had, by the measures of our own Government, been deprived of the most uniform and best circulating medium in the known world. I was aware that a sudden shock had overspread the land, and was willing to suppose that it had occasioned the very abrupt change of opinion in the President, who, in one short week, after telling the New York Committee that he saw no reason for an earlier convocation of Congress than the constitutional period, issued his proclamation, under which we have now assembled. I cannot, therefore, express my surprise at having offered for our earliest consideration, at such a crisis, the bill to which I have directed my remarks.

Is it true, sir, that this Congress has been assembled here a few days before the first of October, in order that they might withhold from the States the paltry sum which the Government had pledged its faith then to pay them?

Then comes the Treasury note bill, to which I have already adverted; next, the bill extending the time of payment on merchants' bonds; a bill in relation to the deposite banks; a bill affecting the banks in this District; and, lastly, a bill with a very innocent title, imposing additional duties on officers in certain cases, but which is your Treasury bank in disguise. These, I believe, are the leading measures proposed, and we have been required to confine our attention to them for a few weeks, and go home! These bills have been severally reported to us in broken doses, by the chairman of the Committee of Ways and Means, [Mr. Cambreleng,] and I am constrained to animadvert on the fact, that they have all been brought forward unaccompanied by any report. This has not been the usage of that committee. No longer ago than the last session, when the gentleman just alluded to proposed to reduce the tariff, by way of depleting the Treasury, and in utter disregard of the compromise act on that subject, we all remember what an elaborate and subtle report was produced and scattered over the land. But now, when the state of the country is such as to require a special session of Congress, a studied silence is observed on all subjects reported for our consideration. See how the numerous memorials of the people on the subject of a bank of the United States have been disposed of. A resolution of two or three lines puts them all at rest. Sir, though the committee may have come to the conclusion indicated by the resolution, they should have accompanied it with a report, which, however opposed to the prayer of the petitioners, would tend to show they had been heard with respect, and, in its reasoning, perhaps reconcile them to the refusal of their request. I beg not to be misunderstood. I do not propose a bank of the United States; those in power, with the President at their head, say the people shall not have it. The people themselves, therefore, must come to their own relief. If they wish the country to have such an institution with a modified charter, improved by all the lights of past experience, they must speak out and demand it. I am now ready to vote, if the subject is presented for my consideration, and will always, if I can ascertain it, vote in obedience to the will of the people whom I represent. But it would be in vain at this moment to urge before this Congress a bank of the United States, especially as the President has already prejudged the case. If the people want it, they will in due time send those here, and with clear instructions, by whom it will be granted. Until this be done, I do not believe the country will be restored to a healthy state in all branches of its business, currency, and exchange.*

The President in his message affects to believe that the Bank of the United States, chartered by the State of Pennsylvania, has even greater strength than the institution of that name which expired in 1836. And, assuming this position, he infers that the present evils of the country cannot be attributed to the absence of such an institution, because that bank did not avert them! In this he is uncandid and disingenuous. He well knows the Pennsylvania institution is but a mere State bank, and that it is not in the power of that State, or any other, to confer such a charter as the late Bank of the United States had. The power to establish branches throughout the United States, and the receivability of the paper of the bank for the revenue of the country, constituted the great means of controlling the number and inordinate issues of State banks, and of regulating the exchanges. The United States Bank of Pennsylvania has not those privileges. I will not stop longer to refute a position so evidently insincere.

But this subject of exchange, which so intimately connects itself with all our commerce, foreign and inland, is now abandoned in all its chaotic irregularity, on the pretext that the Government of the United States has no constitutional control over it! Washington thought differently; so did Jefferson, and so did Madison, and, in fine, so did Jackson himself, and every other President of the United States.

From the origin of our Government under the present constitution to this time, covering a period of fifty years, an anxious desire to regulate the currency and exchanges was cherished by each successive administration, with an admitted constitutional control over the subject. It remained for Mr. Van Buren to discover that all his predecessors had been violating the constitution, and that he alone sustained it in its strict purity! But it was unfortunate for Mr. Van Buren that an attempt was so recently made by the General Government to control and regulate exchange. If no power existed over it, why was the matter undertaken? I call the attention of gentlemen to the exultation felt and so vauntingly expressed in the Globe and in the reports of Mr. Secretary Taney and his successor, the present incumbent, Mr. Woodbury, when they told the country that they had succeeded in their pet-bank system, and by it were giving to us an improved currency, and more moderate and uniform rates of exchange than we ever before had! But now, sir, when it is found they have deceived the country, and that by their tinkering nostrums they have reduced order to chaos, instead of having the magnanimity to confess their error, as they ought to do, and retrace their steps, they disclaim all constitutional power over the subject, but propose another experiment! The original and genuine democratic party did not act thus. That same patriotic republican phalanx, who, with the illustrious Madison at its head, sustained the country in the war of 1812, were brought by lessons of experience honestly to admit their error in refusing to reincorporate a bank in 1811, and they, sir, established the bank of 1816. The experiment has been again tried, and we are in the midst of its sad consequences, but the remedy prescribed is not that prompted by experience. It is yet proposed to test another wild and unknown experiment. The country, by means of its youthful vigor and strength, may sustain itself, but its prosperity will, I fear, be greatly retarded.

Mr. Chairman, I was utterly opposed to the management of our financial concerns through the agency of State banks. I could consent to it only as a choice of evils. I am not here as a defender of these banks. Indeed, I openly condemned many of them for indiscreetly lending themselves to the uncalled-for and unhappy measure of removing the public deposites from the Bank of the United States. They have now to "flee from the wrath" of their friends, the very democratic party by whom they were seduced from the even tenor of their way. Yes, sir, those who used them to pull down the Bank of the United States, and held them up to the people as trustworthy agents, now turn from them with uplifted arms, and cry "unclean! unclean!"

And in this way an attempt is made to create an impression that we of the opposition are the exclusive bank party. After uniting the financial destinies of this country with the State banks, proclaiming yourselves their friends, and forming with them a solemn league and covenant, by means of which you robbed them of their virtue, you now abruptly demand a divorce, and wish to throw your cast off victims upon those who forbade the banns. I will also refer to another evidence of that discrepancy between profession and practice, which has so signally characterized the partisan power for the last eight years. In New York, Virginia, Alabama, and perhaps other States, known to be governed by the self-styled democratic party, laws have been passed, authorizing the suspension of specie payments by the banks, and releasing them from forfeiture of charter and other penalties. This is done by those who tell the people they are in favor of an exclusive hard-money currency, and against all banks. In Ohio, Pennsylvania, and Maryland, whose Executives are known to be opposed to Mr. Van Buren, it was determined to put the banks on their good behaviour, and thus prompt them to a wholesome and prudent course, believing that the people themselves would extend any indulgence which the occasion called for, if the conduct of the banks was honest and prudent. And the proclamation of the Governor of Pennsylvania, assigning reasons for refusing to convene the General Assembly at the moment of alarm, will constitute an abiding evidence of his wisdom and forecast. Now, Mr. Chairman, which of these classes of States, judging by their respective measures just alluded to, is most in favor of the banking system?

I do not desire to discuss, at this time, the merits of the several bills reported for our consideration. It will be time enough to do so, as they shall be called up.

But, I must declare my opinion, that they do not singly, or together, constitue a sufficient reason for the special convocation of Congress. Surely it was not necessary to bring us here to extend the time on merchants' bonds. As the President did extend this time three months, he could have done so for six, and that period would have found us here at the usual session.

I am equally incredulous as to the urgent necessity of the Treasury for money, especially as the Secretary informed us that he had and could, without public injury, suspend some fifteen millions of appropriations. With the admitted means on hand, and our current revenue, the operations of Government might surely have been continued until December.

As for the proposed bill adjusting the accounts with the deposite banks, that was not important enough to authorize the proclamation: for the Secretary admits that he has already used a considerable part of all their balances; and, if they would not pay, the laws and courts were open to him, quite as wide as it is in the power of Congress to place them.

What measure remains? The famous act for the safe-keeping of the public money. We shall have no occasion for this law before December, if what the Secretary of the Treasury says is true, that the Treasury is empty!

I must, however, notice a single bill on the business of this District, for which Congress is a local Legislature. It is proposed to forfeit the charters of the several banks in this District, if they do not resume specie payments in some very brief period from this time.

The people of the District do not complain to us of any grievance, but the Committee of Ways and Means, by their chairman, report a harsh and highly penal law. I do not mean to defend these banks, sir. I know nothing of them. But I cannot resist the comparative view of the legislation on the same subject in the State of New York, from which the chairman of the Committee of Ways and Means [Mr. CAMBRELENG] comes, and that which he now proposes for this District. We are to commence here, I suppose, to try the hard-money experiment. This poor District is to be made the scapegoat to expiate the sins of the States, or, which is more probable, is to constitute the hapless subject for the experimenting doctors in this new system of Treasury finance to operate on. After the manner of the curious and cruel experimenters in prussic acid and other poisonous drugs, with a view to test what, if any, remedy will arrest their destructive powers, the poison is first administered to a dog or rabbit, for the future benefit of man. Just so here. The District of Columbia is to be made the experimenting subject of the hard-money theory. All its banks may be utterly ruined, and its people put to serious inconvenience, but, in the mean time, the party will have the benefit of all its political influence, and it will not cost any thing to the banks nor the people of the State of New York. Sir, we have gone far enough with these Treasury nostrums; it is now proposed to give No. 6. I am unwilling to see or consent to have it administered.

Finally, Mr. Chairman, I do sincerely believe that the President has not made to us the suggestions which he designed to submit, when he first issued his proclamation, and that they are withheld because he found he could not make them without at least partially admitting the past errors of his party, which he had not the firmness and magnanimity to do.

The bill on which we are now to vote does not deserve the primary consideration of Congress at such a crisis. I am unwilling to postpone the payment of any part of the money promised to the States even for a day, and if it is now withheld, I trust the States will keep up "a continual claim" until this Government redeems its violated faith.

Mr. CAMBRELENG now expressed the hope that the question might be taken upon the various amendments, and that the committee would rise and report the bill to the House. After the fatigues of the sitting of the night before, he felt assured that such would prove a general sentiment.

Mr. WISE said he had voted for the deposite act of 1836, and should vote against this bill. His reasons for this vote he wished to have an opportunity of laying before the House. He had been much deranged in health by the late session of the previous night, and he did not desire to interpose any objection to the rising of the committee, if he could be assured that an opportunity would be afforded him to-morrow to give his views on the bill; but he feared the springing of the previous question upon him.

Mr. EWING spoke at considerable length against the bill. He adverted to the specie circular, and said that, had he been permitted to offer his resolution that morning, he would have shown that the specie circular had been made for the people, but was not binding on the favorites of the Government. He wished the Government might be taught a little experience from its recent measures, and if it did not learn experience, he was willing to afford it sympathy.

But the course of Government made it obvious that it was determined to take care of itself, and to let the people alone. For his part, he was willing to vote for any measure which would be beneficial to the whole; but he felt

prohibited from voting for any partial measure of relief. Much has been said about the deposite banks having disgraced themselves, as being unable to pay. But there was no disgrace attached to *them;* they were as well able to pay now, as before they suspended specie payments. No, they had not disgraced themselves; it was the Secretary himself who had brought disgrace and dishonor upon them. There had been much talk about Western paper, but he would tell them that so far as Indiana was concerned, for every two dollars of paper issued, she had one dollar in specie. She was ready to pay her debts at any time when the Government thought fit to pay her, and she asked for none of the proposed measures of relief, but was ready to pay her share. He was willing to vote for the amendment proposed by the gentleman from Massachusetts, but he would vote for no partial measures of relief. Why did not the House permit him to introduce his resolution, calling for returns from the land offices? He would then show them that there was one law for the people, and another for the favored few who enjoyed the patronage of the Government. As an instance, he would mention a case where an order had been issued from the War Department to an officer, but that order was accompanied by a private letter, informing him that he might disobey the order if he thought proper. It was this state of things which he wished to expose. Again, it had been said that a portion of the money due to the Treasury was unavailable; but they might depend upon it, that, although they did not choose to make it available to the people, they would speedily find means to make it available to themselves. They had the power to make it available or unavailable, just as they pleased.

Mr. JENIFER, next taking the floor, alluded to the strong disposition apparent in the majority to bring the bill within the operation of the previous question. To reporting the bill to the House he should not object, could the same latitude be attained in the House as in the committee to discuss its principles. Would the chairman of the Committee of Ways and Means give a pledge, and pledge himself that he was authorized to give such assurance, [a laugh,] he would yield the floor until to-morrow.

Mr. CAMBRELENG gave such an assent to this proposition as to satisfy Mr. JENIFER. Then the question was taken on agreeing to Mr. ADAMS's amendment to the amendment of Mr. PICKENS, which is as follows:

"And all the balances of public moneys due from all the deposite banks are hereby appropriated to the said payment, and no part of them shall be applied to any other payment whatever; and if the portion of the said balances due by the said deposite banks cannot be recovered in time to enable the Treasury to pay the whole of the said deposite with the States, hereby made payable on the 1st of January, 1839, then the instalment of debt from the late Bank of the United States for the stock in that institution held by the United States, payable in October, 1838, is hereby appropriated to make up any insufficiency of the sums recovered from the deposite banks, to complete the said payment of the fourth instalment of the deposite with the States. And if the said sums, so appropriated, should still prove insufficient to complete the said payment, the faith of the United States is hereby pledged that provision shall be made by Congress to complete the same."

Tellers being appointed to count the House, this amendment was rejected. Yeas 89, nays 104.

The question on the following amendment, moved by Mr. PICKENS, was then taken:

Strike out the words "till further provision by law," and insert "the first day of January, 1839."

Tellers being appointed, this amendment was rejected. Yeas 65, nays not counted.

Mr. UNDERWOOD moved to amend the bill, by striking out all after the word "Resolved," and inserting the following in lieu thereof:

"That if the funds set apart to be deposited with the States in virtue of the act of June 23, 1836, shall prove unavailable or insufficient to any extent to meet the provisions of that act, in such case the Secretary of the Treasury is hereby authorized and directed to sell and transfer to the purchaser or purchasers, the bonds of the United States Bank of Pennsylvania, or evidences of the debt which said bank has contracted to pay the United States, for and in consideration of the stock which the United States owned in the late Bank of the United States, and apply the proceeds of such sale or sales to make up the deficiency; provided, that the said bond or evidences of debt shall not be sold for less than their par value; and provided, also, that the bonds and evidences of the debt aforesaid, for the first instalment thereof, shall not be disposed of under this act."

Tellers being appointed, this motion was rejected: Yeas 81, nays 107.

Messrs. MARTIN, MASON, of Georgia, MERCER, and two other gentlemen, moved additional amendments, (intended to be moved again when the bill should be reported to the House,) all without success; and then,

On motion of Mr. PETRIKIN, the committee rose, and reported the bill, without amendment to the House.

The House then adjourned.

WEDNESDAY, SEPTEMBER 27.

Mr. BIDDLE asked leave of the House to offer the following resolution:

Resolved, That the report of the Secretary of the Treasury, on the subject of payments in specie, be referred to the Committee of Ways and Means, with instructions to inquire and report how far the discretionary power, now exercised by the Secretary of the Treasury, may, without prejudice to the public service, be subjected to legislative regulation.

Objection being made,

Mr. BIDDLE then moved a suspension of the rules, and called for the yeas and nays.

Mr. CAMBRELENG said, with permission of the House, he would make a suggestion to the gentleman from Pennsylvania.

Mr. MERCER rose and objected.

Mr. CAMBRELENG. All I wanted to say was that the subject has been already reported upon by the Committee of Ways and Means.

Mr. HAMER wished to ask of the Chair when resolutions would be in order.

The CHAIR replied that the rules of the House presented the order of business. After the presentation of petitions and reports from committees, then resolutions would be in order.

Mr. SMITH rose to make a remark—

The CHAIR. It is not in order to entertain a discussion on a motion to suspend the rules.

Mr. SMITH rose to a question of order. This was a subject that had already been reported on, as we had been informed by the Chairman of the Committee of Ways and Means; and this being the case, he wished to inquire if it was in order to open this subject anew.

The CHAIR said it was in order to move to suspend the rules, and that was the only question he had to decide.

The yeas and nays were then ordered, and the question being taken, was decided in the negative: Yeas 85, nays 101, as follows:

YEAS—Messrs. Adams, Alexander, Aycrigg, Bell, Biddle, Bond, Buchanan, William B. Calhoun, John Calhoon, Campbell, W. B. Carter, Chambers, Cheatham, Childs, Corwin, Cranston, Crockett, Curtis, Cushing, Darlington, Dawson, Davies, Deberry, Dennis, Everett, Ewing, Fletcher, Fry, Goode, James Graham, William Graham, Grennell, Griffin, Hall, Halstead, Harlan, Harper,

Hastings, Hawes, Henry, Herod, Henry Johnson, Wm. C. Johnson, A. W. Loomis, Mallory, Marvin, Samson Mason, Maury, Maxwell, McKennan, Menefee, Mercer, Milligan, Milligan, Mathias Morris, Calvary Morris, Naylor, Noyes, Ogle, Patterson, Phillips, Potts, Potter, Rariden, Ridgway, Robertson, Rumsey, Russell, Sergeant, Augustine H. Shepperd, Charles Shepard, Shields, Southgate, Stanly, Stratton, Taliaferro, Tillinghast, Toland, A. S. White, John White, E. Whittlesey, Lewis Williams, Sherrod Williams, Joseph L. Williams, Christopher H. Williams, Wise, Yorke—86.

NAYS—Messrs. Allen, Anderson, Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Boon, Bouldin, Brodhead, Bronson, Bruyn, Cambreleng, Casey, Chaney, Chapman, Cilley, Clark, Cleveland, Clowney, Coles, Connor, Craig, Crary, Cushman, Davee, Farrington, Fairfield, Foster, Gallup, Gholson, Glascock, Grantland, Grant, Gray, Haley, Hammond, Hamer, Harrison, Haynes, Holsey, Howard, Hubley, Hunter, Ingham, T. B. Jackson, J. Jackson, J. Johnson, Kemble, Kilgore, Klingensmith, Logan, Arphaxed Loomis, James M. Mason, Martin, May, McKay, Robert McClellan, Abraham McClellan, McClure, McKim, Miller, Moore, Morgan, Morris, Muhlenberg, Noble, Owens, Parker, Parmenter, Patton, Paynter, Pennybacker, Petrikin, Phelps, Pratt, Prentiss, Reily, Rhett, Richardson, Rives, Sawyer, Sheplor, Smith, Snyder, Spencer, Stuart, Thomas, Titus, Toucey, Towns, Turney, Vail, Vanderveer, Wagener, Webster, Weeks, Thomas T. Whittlesey, Jared W. Williams, Worthington, Yell—102.

NATIONAL BANK.

The House then proceeded to the consideration of the following resolution, reported from the Committee of Ways and Means on the 25th instant, it being the business next in order:

"*Resolved*, That it is inexpedient to charter a national bank."

The question pending was the motion of Mr. WISE to amend the resolution by adding thereto "at this time." "*And be it further resolved*, That it will be expedient to establish a national bank whenever there is a clear manifestation of public sentiment in favor of such a measure."

Mr. SERGEANT, who was entitled to the floor, said that he felt greatly indisposed, and would feel obliged if the House would indulge him till to-morrow.

Mr. CAMBRELENG had understood the report on the Mississippi election to be the first thing in order this morning, and he therefore hoped the above would be postponed till to-morrow. At the suggestion of the Chair, Mr. C. varied his motion so as to postpone it till Saturday morning, and give it precedence over all other business; which was agreed to.

THE NORTHEASTERN BOUNDARY.

Mr. SMITH, of Maine, moved the printing of 5,000 extra copies of the Executive communication laid before the House last evening on the subject of the Northeastern boundary.

Mr. ADAMS moved to amend that motion so as to include the printing of the other message, relating to intercourse with Brazil.

Mr. SMITH, however, expressing a preference for the original motion,

Mr. ADAMS said he would not press his amendment; and the motion of Mr. SMITH was agreed to.

Mr. ADAMS then renewed his motion to print the message alluded to. Objection being made, the motion was not entertained.

MISSISSIPPI ELECTION.

The House then proceeded to the consideration of the business of the morning hour, being the report of the Committee on Elections, which was accompanied by the following resolution:

"*Resolved*, That Samuel J. Gholson and John F. H. Claiborne are duly elected members of the 25th Congress, and as such are entitled to take their seats."

The question was on concurring with the committee in the above resolution.

Mr. MAURY addressed the committee at some length in opposition to the resolution. He contended that, by the constitution of the United States, it was made the duty of the Legislature of Mississippi to prescribe the time, places, and manner of holding their elections. The constitution of the United States had made it their specific duty to do so, and if they refused or neglected to exercise the power conferred upon them, it was for Congress to exercise it. It was not in the power of the Governor, he argued, to determine upon the time, places, and manner of holding elections; and even if the Legislature of Mississippi had conferred this power upon the Governor, he could not have exercised it legally, because it would have been in contravention of the constitution of the United States. [He then went into a critical examination of that clause in the constitution of the United States which says: "When vacancies happen in the representation from any State, the Executive authority thereof shall issue writs of election to fill such vacancies," and of the definition of the word "happen," to show that the vacancy which had occurred by the expiration of the term of the two representatives from Mississippi on the third of March last, was not such a vacancy as that contemplated by the framers of the constitution when they inserted the above clause.] The above clause, in his opinion, only referred to the contingency of a vacancy happening by the death, resignation, or other inability, of a member from a State, and did not refer to the case of the expiration of the term of service of representatives.

He contended, also, that argument as to time would not lie, because the Governor of Mississippi could not have assembled the Legislature and had an election held in time enough in the legal and proper mode. He next referred to cases that he considered cases in point, which had occurred in the Senate of the United States, where seats became vacant by the expiration of the term of Senators, and where the Governor had filled such vacancies; and showed that two decisions had been had by the Senate where it refused to permit such Senators so appointed to qualify and take their seats, because they declared that the Governor of the State had no power to make a temporary appointment, where the regular term of the member had expired.

Mr. M. concluded by moving to strike out all after the word "*Resolved*," and inserting "That Samuel J. Gholson and John F. H. Claiborne, not being duly elected members of the House of Representatives, are not entitled to seats on this floor as such."

Mr. PENNYBACKER said: I, like the gentleman from Tennessee, [Mr. MAURY,] am a member of the Committee of Elections. The relation which I bear to the report of the majority has caused me to rise. It is due to myself, due to the majority, and perhaps due to the House, to explain the reasons which induced the committee to come to their conclusion. In doing so, sir, I shall endeavor to be as brief as possible.

The facts of the case are simply these: Messrs. Gholson and Claiborne were members of the 24th Congress; their term of office expired with that Congress: this came to pass on the 3d of March last. By the law of Mississippi, her general elections are directed to be held in the month of November, biennially. The coming November will be the time at which her general elections would have taken place, under ordinary circumstances. But, the President of the United States having issued his proclamation convening Congress on the first of this month, it was seen by the executive of the State of Mississippi, that, unless

the elections were sooner brought on, the State of Mississippi would be unrepresented in the extra session. To prevent this, he issued his writs, commanding the sheriffs to hold an election, in July last, for two representatives, to serve, however, until the first Monday in November next, when, it was supposed, their successors could be regularly chosen. The writs were executed, and Messrs. Gholson and Claiborne were returned as elected.

Upon this state of facts a question has arisen: are these gentlemen entitled to their seats? and if so, for what period of time?

First. Are the gentlemen entitled to their seats?

This brings us immediately to the consideration of the clause in the constitution read by the gentleman, [Mr. Maury,] and which is in these words: "When vacancies happen in the representation from any State, the executive authority thereof shall issue writs of election to fill such vacancies." From this clause the executive of Mississippi claimed his authority to issue his writs: under this clause the members elect insist upon their seats. We are bound, therefore, to ascertain its meaning.

Before Mr. P. would enter upon a particular examination of the clause in question, he would trespass upon the House a very few moments, by making some remarks of a general nature.

Sir, (said he,) the will of the lawgiver makes the law. The intention of the law is that which alone constitutes it "a rule of action." It is its essence, and must ever be sought after in cases of construction. How shall it be found? Partly by looking to the language employed; but not by looking to the language alone. The thoughts of man are almost infinite; the combinations of the human mind are almost infinite. Words are finite; language is finite; and the one, therefore, can never properly become the representative of the other. If it were otherwise; if it were possible for each word to have an exact and invariable meaning, and it were possible for every intellect to become acquainted with such meaning, and it were then possible for each word, or for any combination of words, to represent exactly the thoughts conceived, language of itself would be sufficient. But this, unfortunately, is not so. We are constrained (said Mr. P.) by our very natures to look to other aids. Happily for truth, such aids exist. One powerful one is ever at hand. What is it? A consideration of the object of the law. When this is ascertained and well understood, another aid rises and comes to our help. And what is this? The thought, sir, that where there is the like reason there should be the like law; where the evil is the same, the remedy should be the same; where the mischief is identical, the means of removing it should not be different. Thus a standard is created: by this standard the given case can be judged. Tried by it, if it shall come up to it, we at once conclude that the framers of the law had the given case in view. And from this conclusion, though the language employed should seem not to justify it, we will not be driven; nay, sir, from this conclusion, we ought not to be driven; for to be so, would be to say, we will be governed by an opinion formed only upon a given set of means, rejecting all others, no matter how powerful; and that, too, when the very means employed are acknowledgedly imperfect.

Bearing these remarks in memory, let us proceed (said Mr. P.) to the clause in question.

Its language is: "When vacancies happen," &c. Here at the threshold, the inquiry arises, had vacancies happened when the writs were issued? That vacancies existed cannot be denied. The thing of itself was nearly self-evident. Mr. P. did not know that he could make it any plainer; nevertheless, he would attempt to do so. By the constitution of the United States various offices are created. Those of President, Vice President, Judge of the Supreme Court, Senator in Congress, and Representative in Congress are among the number. By the same instrument, also, the tenures of those offices are fixed and established. Those of President and Vice President, being four years; that of Judge, during good behavior; that of Senator, subject to classification, six years; and that of Representative, two years. Though the terms of the offices may expire, the offices themselves remain with the constitution. Now the terms of office of Messrs. Gholson and Claiborne, as members of the 24th Congress, expired with that Congress: this came to pass on the 3d of March last. On the 4th of March, then, their offices were vacant. So they continued until after the writs were issued.

Having established this position, Mr. P. would proceed.

It was said by the gentleman, [Mr. Maury,] though vacancies existed, they had not happened; that he had examined the dictionary for the meaning of the term, and found its meaning not to apply; that it was only applied to cases of casualty; that it would be absurd to say the sun happened to rise, the tides happened to flow, &c.; that there was nothing fortuitous in these events, they were foreseen, foreknown, and must occur: so with a vacancy by efflux of time; and that the obvious meaning of the constitution was, vacancies occurring by death, &c. To this Mr. P. could not subscribe. It appeared to him that the term *chance* more exactly represented the gentleman's meaning. The constitution did not read "when vacancies *chance* to happen," but its terms were "when vacancies happen," &c. He, like the gentleman, had looked into authority. He had found one exactly in point. From it he learned (to use a figure) that to happen was a genus, whilst to chance was a species; that the one included the other, but not *vice versa*. Mr. P. then read from Crabb's Synonymes (a book from the library) the following: "To happen (that is, to fall out by a hap) is to chance as the genus to the species, whatever chances happens, but not *vice versa*. Happen respects all events, without including any collateral idea; chance comprehends, likewise, the idea of the cause and order of the events. Whatever comes to pass happens, whether regularly in the course of events, or particularly, and out of order; whatever chances happens altogether without concert, intention, and often without relation to any other thing. The newspapers contain an account of all that happens in the course of the week." Now, (said Mr. P.,) whilst I do not aspire to the character of a critic, and will not arrogate to myself any great degree of learning, I will say, upon the authority I have just read, that the rising of the sun may be well said to happen; the going down of the same may be said to happen; the flowing of the tides may be said to happen; eclipses happen; and that vacancies, occurring by the efflux of time, may be said to happen. And why, sir? Because they all come to pass.

Then, from the language of the clause, the executive of Mississippi had authority for his writs.

But, sir, (said Mr. P.,) let us go still further. Let us avail ourselves of the other great aids. What was the object of the clause in question? Was it not to keep the seats here filled? Was it not that each State, and the whole nation, might be fully represented upon this floor? It was, sir. None will deny it—none can deny it. Now, what reason can exist for filling the one kind of vacancy, which does not exist for filling the other? None can be conceived of. I can readily imagine some shades of difference; but they are merely shades, no substance, no reality in them, and very attenuated in themselves. Again, sir: if it be desirable that a single vacancy, occurring by death, resignation, &c., in ordinary times, when all is tranquillity, should be filled, how much more important is it, in extraordinary times, when all is dismay, confusion, and calamity, and when necessity has forced a call of Congress, that a whole State should not be unrepresented. But, again, sir: every Government should be capable of self-existence; it should contain within itself the principle of its own pres-

ervation. It is true (said Mr. P.) that the constitution provides, that "the times, places, and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the Legislatures thereof," and "that Congress may, at any time, make or alter such regulations." But what then? Congress has, as yet, made no such regulations; and suppose the States should omit to do their duties, will it be said that no means have been provided by which to keep full the national representation? Would not the State executive, in a case such as this, though the vacancies had occurred by purpose and design, have a right to issue his writs to fill such vacancies? It will not do to say that Congress might be convened "to make regulations." Suppose some six States, who hold the majority of the whole representation, should fail to do their duty, there would be no Congress which could be convened.

I know (said Mr. P.) I shall be met with an argument here. It will be said, if my construction be correct, the executive of a State, though a time has been prescribed for the holding of her elections, may cause them to be held whenever he pleases. Yea, sir, it will be said, the executive of a State would be bound to issue his writs whenever the vacancies happened; for the language of the clause is imperative in that respect. In answer, I say, first, that the possibility that a power may be abused which has been granted, can never safely be made an argument against its existence. The President is empowered, "on extraordinary occasions," to call together Congress. He, too, alone, is the judge of those occasions. Yet, because he may upon ordinary occasions exercise the power, no one will say the power has not been granted. Secondly, I reply, I think differently from gentlemen. I construe the clause according to its spirit. Look at it. It obviously contemplates the existence of a necessity before it shall be exercised. Suppose a case to happen: suppose a gentleman has been elected; that he has served a first and second session of Congress; that the second session terminated on the first day of January, leaving a little more than two months of the Congress yet to expire; let the gentleman then die. Will any one say that the Executive of the State would be justified in issuing his writs to fill the vacancy; harassing the people by an unseasonable election, when there was no necessity for it; and that, too, when the member to be elected would go out of office in a very few days? And yet, if the argument be correct, that the clause is imperative, such a result would necessarily be produced. Sir, (said Mr. P.,) there must be a necessity for calling into action the latent power.

The language of the clause, then, its spirit, its object, all go to prove the correctness of the report.

But, sir, (said Mr. P.,) suppose for the argument, that the language of the clause did not embrace the case. Will it be said, we must stick to its letter? By no means. Take the clause under consideration. Look at it. It says, when vacancies happen writs shall be issued. Now, will any one say, if a vacancy has happened a writ cannot be issued? Again, sir, there is a parallel clause in the constitution, which empowers the President "to fill up vacancies which may happen during the recess of the Senate, by granting commissions," &c. Suppose that, whilst the Senate were in session, and, consequently, when there was no recess, the collector of the port of New York should die, and the Senate should adjourn before the news of his death had reached the President, and, consequently, before it were possible for him to nominate his successor, would it not be competent for the President to fill the vacancy? Or would he be required, though perhaps three-fourths of the revenue of the United States is collected at that port, to wait until the Senate should again come together, in order to be enabled to make a nomination? Sir, (said Mr. P.,) the constitution is a practical instrument, and as such should be practically construed: "*Qui hæret in litera, hæret in cortice.*" Mr. P. regarded, also, the clause in question as analogous to a remedial statute, and felt disposed to apply to it the rules by which such statutes were always to be expounded. They justified a liberal construction, and enjoined it upon the judges as an imperative duty to "suppress the mischief and advance the remedy."

The gentleman from Tennessee [Mr. MAURY] had relied upon precedents. He had cited the cases of Johns and Lanman. On examination of them they would be found not to support him. In Johns's case, Mr. Read, of Delaware, had resigned his seat in the United States Senate, on the 18th September, 1793; that was during the recess of the Legislature. The Legislature met in January following; it adjourned in February, 1794. On the 19th of March, and subsequent to the adjournment, Mr. Johns was appointed Mr. Read's successor. Thus, it will be perceived, that the Legislature had met after the vacancy happened, and adjourned without electing any successor. Now, the constitution authorized the executive to appoint only in the recess. The appointment was to continue, too, only "until the meeting of the next Legislature." But the time had passed by within which to make it; consequently the appointment was void.

The case of Lanman was as little to be relied on. He was apppointed before a vacancy; though it was anticipated that one would happen. The ground of the decision could readily be imagined. The executive of the State was only authorized to make his appointment "if vacancies happened." No such occurrence had taken place, and therefore the appointment was without authority. Look to the consequences growing out of this doctrine. If an appointment could be made before a vacancy, it might be made at any time before. Thus, a Governor, elected simultaneously with a Senator, might appoint his successor; and this, though the appointment might not take effect for six years to come. This evidently was the ground of decision. In the report of the case, in a marginal note, it is said, in italics, that the appointment had been made before a vacancy had happened.

Mr. P. had himself looked into some precedents. Two had been found which seemed to be authority. The one was the case of Mr. Anderson, of Tennessee; the other the case of Mr. Smith, of Maryland. Both the gentlemen had been members of the Senate, and their terms had expired by efflux of time. They were re-appointed by their respective Governors, and were solemnly pronounced to be entitled to their seats.

There were two more cases Mr. P. would allude to. He regretted exceedingly he had not been able to see them. They were the cases referred to by the gentlemen from Mississippi, [Messrs. GHOLSON and CLAIBORNE,] in their printed argument. If those cases were properly stated, (and no doubt they were,) then here were the opinions of distinguished jurists (Messrs. Wirt and Taney, late Attorneys General) upon the very point. They had solemnly advised their respective Chief Magistrates that the constitution of the United States empowered them to fill original vacancies.

So much, said Mr. P., for the first branch of the question. The gentlemen elect are entitled to their seats.

As to the second branch Mr. P. would not discuss it. There was scarcely a diversity of opinion about it. The constitution had settled the question. The tenure of office was fixed to two years, and no power of the Governor of Mississippi could change or alter it. As well might the President and Senate of the United States, in filling the office of one of the judges, attempt to change the tenure of the office.

Mr. P. would conclude. His remarks had been desultory. He had scarcely expected to speak upon the subject, and certainly not upon it on that day.

Mr. MAURY made a few additional remarks in explanation of the position he had taken.

At this stage Mr. CAMBRELENG interposed, and called for the orders of the day.

FLORIDA WAR.

The bill from the Senate, entitled an act making an additional appropriation for the suppression of Indian hostilities in Florida, having been read twice,

Mr. CAMBRELENG remarking that this bill was identical with one already before the Committee of the Whole on the state of the Union, he moved that this bill be also committed thereto; which was agreed to.

FOURTH INSTALMENT BILL.

The House then proceeded to consider the "bill to postpone the fourth instalment of deposite with the States," reported last night, without amendment, from the Committee of the Whole.

Mr. JENIFER addressed the House. He commenced by saying that his remarks should be confined principally to the subjects embraced in the following inquiries, to wit:

1. For what purpose was Congress called?

2. For whose benefit was the deposite law of June, 1836, passed?

3. Can the demands upon the Treasury be supplied without withholding the fourth instalment from the States? And,

4. What has given rise to the present embarrassments of the country?

Mr. J. said he should not attempt to discuss a question of contract, expressed or implied by the deposite law of 1836. That question had been ably debated on both sides in committee; and whatever might be the decision to which the House will come upon that point, he considered it of much more importance to ascertain whether the execution of that law, or its virtual repeal by the bill now on the table, would operate most beneficially to the country.

Was Congress called together at this extraordinary session to take into consideration the state of the community at large, and to adopt means for its relief?

Or was it called solely to replenish the Treasury, at no matter what sacrifice to the interests of the States?

Was it called to relieve the Government, and further to oppress the people? If the latter, then the object will be accomplished by the passage of the bill now under consideration, and others reported by the chairman of the Committee of Ways and Means.

Is there a gentleman here present, from no matter what part of the Union, when he read the proclamation of the President of the United States, convoking Congress, who did not believe that the object for which it was called was to relieve the people as well as the Government? to adopt measures to restore the currency? to unite our exertions with those of the Executive, to stay the wide-spread ruin pervading the whole country? But now we are told that neither Congress nor the Executive has any right to regulate the currency. That there must be a separation or divorce of the Government and the pecuniary interests of the people. If this doctrine had been practised, and if the Government had not assumed all power over the currency, and had not attempted to regulate and give us a sounder and better currency, then all might still have been well.

But, Mr. J. asked, how long had it been since the Executive yielded the right or the power to interfere with the pecuniary concerns of the community, and to take under its fostering care the interests of the banks, of the merchants, and of individuals? It will be recollected that, in the fall of 1833, just before the meeting of Congress, the then President of the United States assumed and exercised the power to withdraw the public moneys from where they had been placed by law, and where they had remained since 1816, and distributed them where he pleased. This unprecedented act was viewed at that time, even by many of his warmest friends, as stretching the powers of the Executive beyond the constitutional right, and was deprecated by a large majority of both Houses of Congress. Yet, after the act was done, it was supported by those who had before denounced it; and this act was done to regulate and give to the country a better currency—"to afford increased facilities to commerce, and to extend accommodations to individuals."

In a letter to the President of the Girard Bank in Philadelphia, one of the selected deposite banks, the Secretary of the Treasury, in Septmber, 1833, uses the following language, which was, none will doubt, the expression of the opinion and wishes of the Executive:

"The deposites of the public money will enable you to afford increased facilities to commerce, and to extend your accommodations to individuals. And, as the duties which are payable to the Government arise from the business and enterprise of the merchants engaged in foreign trade, it is but reasonable that they should be preferred in the additional accommodation which the public deposites will enable your institution to give, whenever it can be done without injustice to the claims of other classes of the community.

"I am, very respectfully, your obedient servant,

"R. B. TANEY,

"*Secretary of the Treasury.*

"To the President of the Girard Bank, Philadelphia."

Mr. J. continued: It will be seen by this letter, that the Executive at that time felt a deep interest in the "merchants," and particularly "those engaged in foreign trade," and directs the deposite banks "to afford increased facilities to commerce, and to extend their accommodation to individuals." These instructions on the part of the Executive (at a time when, in consequence of this forcible removal of the deposites from the Bank of the United States, it was believed it would compel that institution, in self-defence, to contract her accomodations) were considered the most redeeming measures growing out of that atrocious act.

How does the liberal feeling expressed in that letter contrast with the miserable calumny vented by the late President, in a series of letters addressed to his dear friend, the editor of the Globe, and which, though marked private, were published to the whole world!

The public money having been withdrawn from its lawful place of deposite and transferred to the selected State banks, some of which objected to receive it because they believed it to have been improperly removed, and which ultimately accepted the terms with specific instructions—what were their obligations? They were compelled to obey the instructions of the Executive; which were "to adopt the most liberal course towards other institutions," "to afford increased facilities to commerce," "to extend accomodations to individuals," and "to give a preference to merchants engaged in foreign trade," because "the duties which are payable to the Government arise from their business and enterprise." And now, for having executed the orders of the Executive, for having performed the duties enjoined upon them, the banks and the merchants are denounced as being corrupt and under foreign influence; and this by the man who has brought them to the verge of ruin.

In his private letter to Mr. Blair, published in the Globe of the 9th of August last, General Jackson says:

"Now is the time to separate the Government from all banks; receive and disburse the revenue in nothing but gold and silver coin, and the circulation of our coin through all public disbursements will regulate the currency forever hereafter."

"The history of the world never has recorded such base treachery and perfidy as has been committed by the depos-

ite banks against the Government, and purely with the view of gratifying Biddle and the Barings."

In another letter he adds:

"From the conduct of the banks and the merchants, they deserve no favors from the Government which they have attempted to disgrace, and to destroy its credit, both at home and abroad."

Is there a friend of the late administration here present who does not feel ashamed and recoil within himself when he reads or hears read those foul calumnies promulged through the official organ by the late President of the United States? Are they believed? Does the honorable chairman of the Committee of Ways and Means, [Mr. CAMBRELENG,] or the chairman of the Committee on Finance, [Mr. WRIGHT,] in the other House, believe those charges? Have not both of those gentlemen pronounced them to be false in the very bills reported by them from each of those committees? I refer to the bills on your table for the extension of the time of payment upon merchants' bonds. If those gentlemen believed the statements contained in General Jackson's letters to be true, they would not have recommended indulgence to those merchants who, by fraud and connivance with the banks, have attempted to "disgrace the Government, and to destroy its credit, both at home and abroad." Thus, Mr. Speaker, the State banks were used to put down the Bank of the United States, and then to enable the Executive to prostrate them also. This work has been commenced, and is to be pursued, regardless of the sufferings of the people, and all to give them a sound and better currency, which, like the long-promised "reform," means nothing more than strengthening the hands of the Executive to execute what purpose he pleases.

Mr. Speaker, in looking over the number of bills reported in either House, I see none, no, not one, calculated to relieve the people of this country from their present embarrassments, or to give any hope whatever of future prosperity. They cannot prosper without a sound, uniform, and stable curency. It is true, sir, that there is a bill for the postponement of the payments on merchants' bonds. This bill, so far as they are concerned, may have a beneficial effect. It is proper that such relief should be given, because your own acts had brought upon them the necessity of it. I approve the measure, and shall go for it with pleasure, and even to give still further time if required. It is also true that we have before us other bills for the relief of the Government.

Such is the object of the one to authorize the issuing of Treasury notes. But, sir, where is the measure emanating from either of those Committees of Finance to relieve the great body of the people?

The bill immediately under consideration is to withhold from the States upwards of $9,000,000, which was directed to be paid to them on the 1st October approaching, and this, too, without any notice to the States. The deposite bill of June, 1836, distributing $37,000,000 amongst the several States, provides that in the event that any portion of said deposites should be required for the Treasury, the Secretary is authorized to withdraw it "in sums not exceeding $10,000, from any one State, in any one month, without previous notice of thirty days for every additional sum of $20,000 which may at any time be required;" thus protecting the States against a too sudden or heavy draft, by which they might be inconvenienced. This bill proposes, without such notice, to withhold from them from $300,000 to one and a half millions, according to the amount to which each might be entitled. From Maryland, for instance, upwards of $300,000; from Pennsylvania near $1,000,000; South Carolina near $400,000; New York near one million and a half, and the other States in proportion. Are there no other means by which the Treasury may be replenished than resorting to the sum pledged to be paid to the States on the 1st October, and which has in many instances been anticipated in advance? This deposite with the States has been variously appropriated. By some of them loaned out at interest; by others applied to works of internal improvement; and by some to the purposes of education; the withholding of which, as proposed, must necessarily affect, more or less, those several interests.

Should the amendment of the gentleman from South Carolina [Mr. PICKENS] be adopted, it will render much less objectionable the bill, because that fixes the period when the nine millions shall be paid to the States, and takes from the Executive the power of withdrawing it at his will. The amendment to the amendment offered by the gentleman from Massachusetts [Mr. ADAMS] would make the bill still more acceptable, because in it the means are provided by which the payment is guarantied to the States. But, sir, pass the bill, and you still have to raise, by loan, Treasury notes or other means to an additional amount. The estimate by the friends of the administration makes a deficiency in the Treasury of from 12 to 16 millions to be supplied. The nine millions withheld from the States will not answer your demands; and if you have to resort to the expedient of raising money as you propose by your Treasury note bill, why not issue notes to the full amount?

By this means you supply the demand upon the Treasury, without sacrifice to the States; and the principle is the same, whether you raise ten or twenty millions.

Mr. J. said he had seen a statement prepared by his friend from Massachusetts, [Mr. PHILLIPS,] and which, it was to be regretted, had not been presented to the consideration of the House, which points out the means by which the demands upon the Treasury may be met without the withdrawal of the nine millions from the States, and without an additional tax upon the people. He hoped, before the question was taken, the House might have the benefit of his suggestions.

But, Mr. Speaker, why is the Government thus situated? Why is there a deficiency in the Treasury? Why is it that Congress is called to remedy the embarrassments under which the country is suffering?

I know that the response to these inquires by the friends of the administration is, that it is attributable to the Bank of the United States—to the State banks—to overtrading by merchants—to extravagant speculations. If such be the facts, who is responsible for all these causes?

In 1828 the country was prosperous, the currency sound, bank issues within proper limits, and confidence between man and man. From that period to the present time, the country has been under the dominion of Andrew Jackson. Congress has been under his control, and his will the law of the land. Which of his friends here present, in either House, have ever dared to raise their voice against his will? He undertook to re organize the Government—to put down the Bank of the United States—to give to the country a sound and uniform currency—to establish a metallic circulating medium, and to make the people prosperous and happy. And now, after eight years of uninterrupted experiments, with all the departments of the Government under his control, with the exercise of a power which was never wielded in any country except a despotic one, his successor, in almost the first act of his administration, is compelled to convoke Congress to remedy the evils which he has inflicted upon the country.

But, sir, Congress cannot, by their acts alone, place the country where it was ten years since. They may, by persevering in the late experiments, divide the responsibility of those ruinous measures with the Executive, but they cannot remedy them without retracing their steps. Go back to 1834; replace the public money where the law directed it should be kept; restore the constitution to its original purity by obeying its injunctions; repeal your

Treasury circular, which was issued contrary to the almost unanimous consent of the Representatives of the people; listen to the voice which has spoken, in no doubtful language, from Indiana to Maine; attempt no more experiments upon the currency: do this, and confidence may be restored; but do not aggravate the sufferings of the people by contrasting their miserable currency with the golden bribe tendered to their representatives.

Sir, is it not extraordinary that while, on the 1st January, 1837, by a report of the Secretary of the Treasury, there was in the Treasury of the United States $37,468,859 97 surplus over all the demands of the Government, and which was by law directed to be distributed amongst the different States, now we are told there will be a deficiency of from twelve to sixteen millions of dollars? And whilst the people are parentally advised to deny themselves many of their accustomed comforts, and to economize their own expenditures, not one effort is made to curtail the expenses of the Government, which have risen up in eight years from thirteen to thirty-two millions of dollars.

The proposition has been made to separate the interests of the Government from that of the people—to establish for the one a sound, uniform metallic currency, and for the other such paper as is denounced to be perfectly valueless. This new experiment has already commenced, and a discrimination is to be made between different classes of Government creditors. I cannot more clearly show the rank injustice, and, I might add, cruelty, practised by the Government in relation to this discrimination, than by stating a fact which has come to my knowledge since the adjournment of the House on Saturday. An old soldier of the Revolution, worn down by years and arduous duties in the service of his country, and who is entitled to a pension in consequence of those services from his Government, presented, as usual, his claim at the proper department. A check or certificate was given for the amount, and, although he entreated to have a few dollars for the payment of his post office account, he could not obtain a single dollar. To what reflections are we brought by such a state of things as this? The Representatives in Congress, heads of Departments, and various other officers of the Government, receive and send their papers, packages, and letters to and from all parts of the United States free of postage. Their frank saves them from oppression here. Amongst them, with few exceptions, gold and silver can be dispensed with except at the post office; and they being thus protected still are tendered gold and silver, before it is asked for. And yet a poor old soldier, who is as much a creditor of the Government for his pension as a member of Congress is for his mileage or per diem, cannot obtain as much of the precious metal as will enable him to buy from the post office his long-expected letter, perhaps from his children or grand-children, whom he may never see again. Sir, the old soldier, with a check for sixty dollars in his pocket, paid for his services, cannot obtain from his Government money enough to pay for his letter, or credit at the post office to enable him to obtain it. And yet members of Congress and officeholders daily receive their golden reward for adhering to these experiments.

Amongst the bills reported from the Committee of Ways and Means, is one to revoke the charters of the several banks in the District of Columbia, unless they resume specie payments in thirty days. A similar bill was simultaneously reported by the Committee on Finance in the Senate; the chairmen of these committees are both from the State of New York; and I would ask why has not this experiment been made there, where specie payments were first suspended? Sir, the reason is obvious. Neither of those gentlemen is responsible to the citizens of the District of Columbia for whatever acts he may perpetrate. And I will venture to say that the honorable chairman of the Ways and Means [Mr. Cambreleng] would not have dared, at the present time, to have made such a proposition in relation to the banks of the city of New York, were he a member of the Legislature or the Corporation, nothwithstanding he may suppose he has them as well as the merchants on the "hip," and so far down as not to be able to get up again. The citizens of the District of Columbia, and the adjacent counties of Virginia and Maryland, are alone interested in these banks. Their notes circulate freely, and are taken in payment for all business transactions, and, within the range of their circulation, are as current as the notes of any other banks; and, as regards the present derangement of the currency, are less responsible than most others. I speak from a knowledge of the fact, that two of the banks in this city continued to redeem their notes in specie some days after the supension had taken place in New York, Philadelphia, Baltimore, and Boston. Nor did they cease to continue paying specie until advised by the Executive of the United States so to do. And one of those banks, being a deposite bank, was bound to obey the advice of the Secretary of the Treasury. With a knowledge of these facts, I cannot believe that this measure to revoke their charters can have originated from the Treasury Department, or can receive countenance there. It would argue a degree of injustice, if not perfidy, which I should be unwilling to attribute to any quarter. But the honorable chairman may have other reasons for commencing this attack upon the interests of the District of Columbia, and the surrounding counties of Virginia and Maryland. They are not his immediate constituents; they have no control over his acts; he may make his experiments here without responsibility; and these are his victims, because they cannot reach him.

We are told, and with much apparent triumph, that the notes of the State banks are perfectly valueless. Gentlemen who make these declarations cannot have much regard to the facts. Why are they received if there is no value attached to them? Why is it that they enter into all the business transactions, since you have compelled the seclusion of specie? The assertion is negatived by the fact that you receive them yourselves. And were it not that the Secretary of the Treasury, in his extreme kindness, has tendered you gold and silver, there is not one of you who would refuse to receive them. So that, with all the attempts to discredit the only currency your miserable policy has left us, the State banks at this moment are in a better condition than when you entrusted them with millions of the public money. A similar effort was attempted to depreciate the paper of the Bank of the United States, when it was determined to put down that institution; and although eight millions of the public money were vested in its stock, yet untiring were the exertions of the Government to discredit its notes and render them entirely worthless. What was the result? It was that the notes of the Bank of the United States were current everywhere, and taken in preference to all others, save by the Government, who are by law bound to receive them.

The Government, having succeeded against the will of the country in putting down the Bank of the United States, now directs all its energies against the State banks, notwithstanding millions of the public money are in their vaults, and which might at any moment have been made available by payment to any of the public creditors. Which of the Government creditors, whether contractors, officeholders, or members of Congress, would have refused to receive in payment the notes of, or checks upon, any State bank within the range of their business, had not the Government waged this unnatural, ungrateful war upon them? Until this war commenced, no creditor asked for specie; they preferred the notes as more convenient; and when checks or drafts were drawn on the deposite banks the banks met them to the satisfaction of the holder. Had the banks been compelled to pay out specie for the drafts of

the Government, I am sure I am safe in the assertion that not one could have been found which would have received the deposites. Some gentlemen have erroneously imagined that specie was placed in the various deposite banks by the Government to meet those demands. If I am not misinformed, the deposite bank in Baltimore, which has paid drafts and checks of the Government to upwards of a million of dollars, during the same period has not received from the Government perhaps twenty thousand dollars in specie. Most of the other banks have, no doubt, been in a similar situation; and yet they are discredited because they do not pay specie for all demands, when it cannot be denied that the Government, with all the deposites paid in specie, could not meet their own engagements, but had to resort to a loan or other means to effect it.

Mr. Speaker, there is no necessity for withholding the fourth instalment from the States; the deficiency in the Treasury cannot be supplied from this fund; it will not be sufficient for your purposes. If you require sixteen millions, nine millions will not suffice, and you will have to raise the remainder from some other source. Were the nine millions all that the Treasury required, there might be strong reasons for withholding it from the States. It might render unnecessary the resort to your Treasury notes or a loan. But if you have to borrow or issue your paper money, let it be for the full amount of your deficiency, and do not embarrass the States by withholding this payment from them.

Mr. MENEFEE, of Ky., next rose. He began by observing, that, after the protracted discussion which the bill had already undergone, he should refrain from taking the wide range in which gentlemen on both sides had indulged. He should content himself with a consideration of the proposition immediately before them—a proposition, in his opinion, quite sufficient for one debate. Nor, indeed, was he sure that he should have trespassed on the House at all, had the question been one of exclusively national bearing. But, sir, (said he,) it concerns, nearly and deeply, the Government and people of Kentucky, to a degree rendering it inexcusable in her representatives to witness the passage of this bill, without, at least, protesting against it on behalf of that State.

Among the numerous objections to this bill, it may, not without reason, be urged, as it has been, that the act of Congress of the 23d of June, 1836, directing certain money, belonging to the United States, to be transferred to the several States, on their complying with the prescribed terms, bears the character of a legislative contract, from the obligations of which this Government cannot rightfully discharge itself, by such an interference with its provisions as the bill under consideration proposes. The act carried with it certain propositions to the States, which they accepted, respecting the public money. Its mere custody, if nothing more was intended, undoubtedly involved both expense and responsibility, independently of the express and formal stipulations to restore it when demanded according to the terms of the act. It is not pretended that the States have failed, in the smallest particular, to observe the requisitions of the act, as far as transfers have already been made; nor is their readiness or ability to comply, with respect to the instalment yet due, at all questioned.

It is perfectly competent to a Government to create, in the form of laws, contracts binding upon it. The practice often occurs. All our acts of incorporation are instances of this kind of legislation.

If, then, the act of 1836 be, as it is represented and insisted on, a contract—and it is difficult, if not impossible, to distinguish it from a contract—the objection to the bill, for that cause alone, is altogether sufficient. If a contract, it must be fulfilled. This Government cannot escape from the obligations it imposes, except by the consent of the other contracting party—the States. The violation, by Congress, of such a contract, could not, I know, be redressed by a resort to the judicial tribunals. Yet the imputation of tyranny and perfidy would justly await such a violation. A position which no one supposes an American Congress capable of occupying.

But, sir, I do not rest my opposition to this bill exclusively, or even mainly, on the ground of a supposed violation of contract involved in it. This I deem a narrow view of the matter. I place it on higher and more commanding reasons—on the true nature and spirit of the act; not as evinced by its language or its form, but by the principles in which it was conceived, the ends it aimed at, and the whole context of circumstances which attended its enactment.

What, sir, I ask, are the nature and spirit of that act? It is attempted to be maintained that it was merely intended as a measure of finance; that the public money was to be transferred, for the advantage of the Treasury of the United States, to the State Treasuries, there to be held on deposite strictly—not contemplating the use of it, by the States, for their own benefit, even temporarily. In other words, that the States were, as such, substantially converted, by that act, into so many agents and instruments of the Federal Treasury. Under this pretension, the use of the money, by the States, even for the shortest periods, or to the least extent, was wholly forbidden; for, if Congress could authorize the use of it, by the States, without interest or equivalent, for an indefinite time, they might, upon the same principle, and with equal propriety, wholly relinquish it to the States; the constitutional power to do which, the advocates of this construction deny.

The idea of the General Government collecting its vast revenue, from its innumerable sources, all over the Union, with its multitude of collecting officers lining our seaboard, and of receivers of public moneys scattered over the whole West, and all the expense and machinery belonging to so extended a system, to divide out amongst the twenty-six States, to be held without use by them, or interest to the Government, for the purpose of being returned when demanded, is utterly inadmissible as a measure of finance purely. But a small advance would be needed under a system like this, to require the revenue, after its collection, to be returned to the individuals from whom collected, to be by them held as agents of the Treasury, and repaid when wanted for the immediate use of Government. Its clumsiness, and utter imbecility, as a system of finance, would justly fix reproach on any nation that should adopt it.

But, sir, the error of this construction is still more manifest, when it is remembered that Congress, in the antecedent part of the same act, formally and minutely provides for the deposite of the public money in the State banks—another addition to the deformed and unnatural system attempted to be found in that act. As a system of finance, who, with a proper respect for his reputation, will consent to stand forth as its champion? Who will endure the paternity of such a financial monster? Who so reckless of the opinions of the world as publicly, in his place here, to hold fellowship with it? I dismiss this view of the question. Gravely to refute such a construction, would be an act of violence to the wisdom of Congress and the national character.

No, sir, (said he,) the act of the 23d of June was no financial expedient. It is more imposing. It is the offspring of considerations tenderly affecting the federal constitution, and the purity of its administration.

By a course of federal legislation, whether constitutional or unconstitutional, wise or unwise, is of no moment here, a large revenue had accumulated beyond the wants of the Treasury. Large, however, as this surplus was, it cannot be pretended that its mere custody by the Government was impracticable, or even difficult. Its full competency to this end was never questioned. Yet, from the earliest period

of this accumulation, it was universally regarded with an eye, not only of distrust and apprehension, but of absolute abhorrence. It was viewed as the dread fountain from which were destined to flow extravagance in the federal expenditures, augmentation of Executive power, and all else that was hostile to the constitution and dangerous to public liberty. Nor, sir, was it viewed in any false light. No fear was entertained that was not just; no abhorrence felt that the frightful visage of the evil did not fully warrant. The worst predictions of its pernicious influences fast ripened into fulfilment. Government extravagance, impelled by this surplus, progressed without check, and with the utmost rapidity, to the point not only of profusion, but of profligacy verging on actual corruption. Executive power, already expanded to its fullest constitutional dimensions, seated on this same surplus, and wielded by a popular hand, wrenched from its co-ordinate departments every check, and demolished every balance designed for its restraint. Under an abused, if not unconstitutional, power of removal from office, the independence of public officers, so necessary to a pure administration, broken down to the basest servility, and the whole corps transformed from servants of the people and officers of the law into an army of mercenaries, obedient to Executive command, no matter what commanding. The Senate—prostrated, utterly. The Judiciary—contemned, defied; and principles advanced openly by the Executive abolishing every vestige of restraint through that department. Congress—a seducing patronage perpetually playing upon it; the veto lightly and capriciously hurled at it; the practice of withholding bills, insulting and defrauding it; the purse violently wrested from it; the regulation of the currency usurped; its spirit broken; and, at last, subjugated and outstretched at the feet of the Executive. The people—deceived, despised, most grievously distressed. Their most highly favored measures—the bank bill, the land bill, the currency bill, successively perishing under the veto, or that other more terrible power. Their currency—in rags, torn asunder by the hand that had snatched it from Congress.

I do not insist, sir, that all these evils, or the most of them even, flowed from the surplus. But I do insist that the tendency of that surplus, whenever and however it operated—and in some form or other it incessantly operated—was pernicious in every aspect, and in the extreme.

Was it, then, in the least surprising, that the statesmen of the United States should have striven to relieve the Government of this surplus? The subject of its disposition accordingly became, as early as 1829, sufficiently important to find a place in the annual message of the President.

"As then," said he, "the period approaches when the application of the revenue to the payment of the public debt will cease, the disposition of the surplus will present a subject for the serious consideration of Congress."

That this recommendation may be duly estimated, it is of importance to remember that it was contained in his first message, whilst flaming with ardor to signalize his administration by a radical reformation of the Government, then supposed to teem with abuses. It was meant as a measure of purification. But it is remarkable that, notwithstanding the astonishing increase of the surplus subsequently, its disposition never afterwards attracted his attention; its employment for evil having unfortunately entered into the plan of his administration.

The notice of Congress and the American people having been thus formally and officially drawn to a disposition of the surplus, it formed, up to the present year, a prominent subject of their consideration. In condemning the surplus as a lamentable evil, and in the propriety of some effectual disposition of it, there was but one opinion. The divisions found to prevail related only to the mode of disposition. The message of 1829 had distinctly announced the mode then most acceptable to the Executive.

"To avoid these evils," said he, "it appears to me that the most safe, just, and federal disposition which could be made of the surplus revenue, would be its apportionment among the States."

And so fixed was his preference of that to all other modes, that, in his opinion, if that mode "should not be found warranted by the constitution, it would be expedient to propose to the States an amendment authorizing it." This also occurred in the pure, or comparatively pure, days of his administration; and, like the subject of disposition itself, from having been a favored measure, soon became an object of his hatred. Other counsels predominated. Plans were formed under the eye of the President, if not countenanced by him, for its employment in a vast system of military defences. Our whole national confines were to be walled in by fortifications; for the construction, arming, and preservation of which, countless millions would have been required, and for the manning of which an overgrown standing army kept up—alike useless and oppressive to the people, and dangerous to their liberties. Numerous other plans were conceived and pressed forward, as wrong in principle, though not so stupendous—all contemplating a disposition of the surplus by wasting it. To these schemes the administration at length decidedly inclined, if forced to relinquish the surplus at all.

But, sir, the people of the United States were unwilling to abandon the subject, or even their favorite mode of disposing of the surplus, notwithstanding the abandonment of both by the Executive. They constantly and resolutely urged it. State after State pressed it—New York and Pennsylvania in the lead. Their sentiments were unequivocal for such a disposition of the surplus as would relieve the Federal Government of the dangers which its possession threatened, and, at the same time, render it beneficial to the States, by preserving instead of destroying it.

Its abstraction from the Federal Government was the principle common to all these plans, and kept steadily in view. It looked to a divestment of the surplus as a sanitary measure—a depletion indispensable to the health of the constitution.

The principle of preserving the surplus for the States, first acquired form and consistency in the land bill of Mr. Clay. That measure, from its first conception, was dear to the people and dear to their representatives. It received majorities in Congress seldom, if ever, commanded by so grave a measure; and it might have been reasonably supposed that such majorities, backed by the almost undivided voice of the nation, would have insured its success. Yet, sir, it perished—under the frown of one man. Not by the veto, but that more detestable engine of withholding bills. Its fate was calamitous to the country, and the calamity was aggravated by the general conviction that it was induced by no constitutional objection really existing in the breast of the Executive, but by the relentless hatred he bore the author of the measure, and an insuperable repugnance to do or permit any thing tending to advance his fame.

The determination of the country to relieve the Government of this malady did not, however, perish with that bill. It survived and flourished. It presented itself next in the form of the deposite bill of the Senate, in the spring of 1836, proposing to transfer the surplus to the States, upon the execution to the General Government of certificates of deposite bearing an interest, and negotiable by the Secretary of the Treasury. That bill found its way to this House, and finally grew into the act of the 23d of June, 1836.

This, sir, is a concise view of the history of that act, and of the principles which lie at its foundation. That history and those principles, I think, prove—the debates upon it, the general understanding of the country, every thing that attended its passage, all that could characterize

such a proceeding, its contemporaneous exposition drawn from every source—manifestly prove, that this transfer of money to the States was but colorably a deposite, having been meant, in fact, as distribution. Upon its constitutionality as an act of distribution, some, I know, expressed doubts; and, for that reason, opposed it. We have, therefore, their authority for asserting that it involved distribution. The various hues it assumed between its first germination in the land bill, and its maturity, arose from a desire on the part of its friends to mould it to the views and constitutional opinions of those who favored the principle of distribution, but hesitated upon the mode of effecting it. Sir, that great act experienced much tribulation in struggling into life. The organs of the Executive, in both Houses of Congress, denounce it—reviled it—warred against it in every shape, by all means, and without quarter. Their published speeches, now before me, breathe the utmost violence towards it. It is notorious that it experienced the frowns of the Executive; for even in the third generation, it labored, in his eye, under the curse which he had pronounced on its forefather, the land bill. And when at last, after passing by most striking majorities, it was presented to the Executive, a reluctant signature was wrung from him. He did not, in the language of the constitution, approve the bill. He barely tolerated its passage: the first and last instance, during his administration, of his yielding, even in his caprices, to the will of Congress or of the people! He repented signing the bill the moment after he had done it. His spirit of unbridled rule construed it into an act of Executive humiliation; to sooth which, he followed the act of signing the bill with an extraordinary annunciation, through the official paper, of his determination to publish to the world the secret necessity which had forced it upon him. His growling and ill-suppressed wrath pursued the measure ever after.

Those who regard this act with such utter abhorrence, as involving a flagrant violation of the constitution, do not, in my opinion, justly discriminate. They maintain that it is unconstitutional to raise revenue for the mere purpose of distribution. Granted. But that doctrine has no application to the act in question. It proposed no such thing. The constitutional sin, if any, had been committed long before. The surplus was found in existence, and the act sought to operate upon it. It contemplated no creation of a surplus. It looked to it, isolated from the means by which it had been raised. It formed no system; but terminated with the disposition of the existing surplus, no matter whether rightfully or wrongfully acquired. Congress has express power "to dispose of the property belonging to the United States." Does any just distinction exist, in a constitutional view, between property and money? The late President, in his far-famed protest, thought not; and he had high authority, if not strong reason, for his opinion. Besides, sir, a deposite of this surplus with the States, without interest, and for an indefinite time, must obviously encounter the full force of the constitutional objections against a direct distribution. The right to distribute the use, the interest, of the surplus, cannot be assumed, without yielding the right to distribute the surplus itself. Nor, in principle, can any difference be found between an investment of the surplus in stocks, and a distribution of the dividends among the States, and a transfer of the principal surplus to the States without interest. In both cases, the States have its use without equivalent.

But, sir, I forbear to discuss the constitutional question; or even to allude to the right of the States to the surplus, founded on their interest in the public lands. It is not incumbent on those who oppose the bill under consideration to maintain the constitutionality of the act of June, 1836. The true question is, was it not an act of distribution in fact, right or wrong? For the reasons assigned, I boldly claim that it was.

Nor, sir, in reaching this conclusion, by compelling the letter of the act to yield to its true nature and spirit, as manifested by the consideration to which I have referred, am I without authority or precedent in the legislation of Congress. This mode of interpretation, though from its nature seldom authorized, is well established. No Government can be wise or just without it. Our tariff laws, especially our protective tariffs, are all thus interpreted. Investments of capital are made in the branches of industry invited into existence, under promises of protection, to which the faith of the Government is committed. A sudden repeal or disturbance of such laws, though not forbidden by their letter, would undoubtedly expose the Government to the just imputation of perfidy and injustice. The great compromise act of 1833 presents a striking illustration. It differs, upon its face, in no respect, from an ordinary act of Congress. Yet, who views it as such—liable to be extended, modified, or repealed at the pleasure of Congress? Who, that values his country's institutions or tranquillity, can regard it otherwise than as a great and extraordinary act; sacred, beyond just interference by Congress? Still, its language imports no contract, no treaty, pledge, or even intimation. Whence, then, its inviolable character? It lies, sir, deeper than its language: in its history. It is not recited in that act that this confederacy, being convulsed to its centre—a disruption of the Union impending—the national sword delivered over by Congress to a military Executive, who, if patriotic, was revengeful too, and flaming in his hand over a devoted State—the awful epoch opening in our constitutional history of subjugating by arms a sovereign State—the common blood of our ancestors, which had flowed in the Revolution in the common cause of freedom, about to flow from the veins of their descendants, after little over half a century, in deadly civil strife—the sword or an ignominious gallows awaiting much of the genius and flower of the land—it is not recited, I repeat, that, in this portentous exigency, the compromise act came as an angel of peace, silently and invisibly, to compose and hush the troubled elements of the republic! None of this appears in the act; yet it all existed. It was the offspring of all this. Nor is its nature the less sacred from this silence. Sir, its sublime spirit would have been degraded by the shackles of language. Too ethereal to be embodied, it nevertheless hovers around that act, and sanctifies it.

I maintain, sir, that the act of June, 1836, though certainly not so important, is of a kindred nature to the one referred to; that Congress has no more just right to disturb the one than the other; and that its obligation, in either case, to abstain from such an attempt, is derived from considerations more exalted, if possible, than contract, treaty, or pledge—the duty, I mean, which it owes to the cause of free institutions, which could not fail to incur the deepest reproach by its violation. It is of no moment whether these circumstances are allowed to enter into the construction of the act, or merely to afford reasons operating on the discretion of Congress. The mode in which they shall be permitted to influence our action, I am indifferent upon; their influence—decisive and irresistible—in some mode, is what I contend for.

What action, by the States, ensued the passage of this law? In their reception of their respective proportions of the surplus, none of them either viewed or treated it as a deposite merely; though, for the sake of the appearances which the act had been compelled to assume, they, too, observed the forms prescribed by it. The general policy adopted by them, respecting the application of the surplus, was the same. In the West, in particular, as in all new countries, a great demand existed for capital, the want of which repressed their enterprise, and stifled the develop-

ment of the boundless resources profusely scattered around them. This act was hailed as measurably supplying that capital. Their Legislatures, previously limited to the means afforded by direct taxation, felt freed from their former restraints, and at once launched into a bold and incautious policy. Popular instruction and internal improvement were the predominating objects of their regard. The whole energy of their legislation was bent towards laying, deep and broad, the foundations of that policy; and the systems devised for the purpose became intimately connected with every ramification of business. They, in many instances, were connected with the local banks by an investment of the surplus in capital; through the banks, with the trading and mercantile interests; and ultimately with all classes.

In Kentucky, struggle after struggle had been made, through a series of years, for the establishment of an efficient system of public instruction. Scheme after scheme had been devised. But they all failed for want of money to sustain them. The occasion presented by this act was embraced with the utmost avidity; and upon it now rests a liberal and enlightened system, to which the poorer classes of her citizens have been taught to look as the only inheritance of their children.

Although a system of internal improvements was in operation in Kentucky prior to the act of 1836, yet, from deficiency of means, it was unavoidably partial and inefficient. Under the impulse of that act, it sprang at once into strength and activity, and promised its advantages, at no distant day, in the improvement of rivers and the construction of roads and canals, throughout every section of that great State.

In these systems, sir, the people of Kentucky not only feel a deep interest, but have embarked in them their affections, and the tenderest hopes of their posterity.

The influence of this act on the Western Country could never, I am sure, have been duly estimated by the friends of this bill. Tested by the ordinary progress of nations, the States, at one session of their Legislatures, advanced near half a century. They literally bounded forward, as if steam-impelled.

Its operation in other respects, to which too much importance cannot, in my opinion, be attached, was peculiarly beneficial. The advantages of the ordinary legislation of Congress were, for the most part, general and remote. Many of the States, from their interior position, and a policy of this Government of doubtful justice, were excluded from a participation in the annual expenditure of the millions which they contributed their full share to raise. They were all, or nearly all, absorbed on the seaboard. Although the power of Congress to regulate commerce "with foreign nations," and "among the several States," is granted in the same clause of the constitution, it had been exercised almost exclusively in reference to commerce with foreign nations. Our whole Atlantic frontier attests it. It is not wonderful, therefore, that discontents should have arisen in the West, from this supposed inequality of legislation. But this act instantly dispelled them. It was hailed with general joy: and was deemed a measure of justice, though slow in its arrival. It came home to them—was embraced, domesticated, and cherished, as it deserved to be, as the future parent of a mass of most beneficent legislation. And, sir, it now stands indissolubly incorporated with their domestic policy, which must perish under its withdrawal, and droop, if not perish, under its suspension.

Taking into view this application of the surplus by the States, and supposing it liable, as contended for, to be recalled at the pleasure of the Secretary of the Treasury, is it not plain that the act, instead of abridging Executive power, as was intended, must greatly augment it? It confers upon the Executive the most dangerous power over the States—no less a power than that of direct taxation; for to that a recall of the surplus must lead: the States having no other expedient to sustain the interests shown thus to rest upon it.

Even admitting, then, that Congress may have the right to extort from the States the surplus already paid, and to withhold that now due, the exercise of the right would not be warranted, except on the most urgent and irresistible necessity.

What, sir, is that necessity, as alleged by the President, and assumed by this bill? It is, that the Treasury of the United States is unable to sustain itself in its embarrassments, without resorting to the fourth instalment intended for the States, amounting to $9,367,214 98; the proportion of which transferable to Kentucky being nearly half a million. I have looked, in the spirit of sincere inquiry, into the evidences upon which this alleged financial necessity rests; and have looked in vain. The report of the Secretary of the Treasury, submitted to Congress at the opening of the session, though obviously meant to magnify, as far as possible, our financial difficulties, has, I think, utterly failed to establish it. Information, derived officially from that department since, under resolutions of this House, still further weaken the attempt.

Without entering minutely into the condition of the Treasury, it is, in my opinion, plainly demonstrable, that, by converting into cash (which can readily be done,) the bonds held by the Government on the Pennsylvania Bank of the United States, amounting to $7,946,356, 16, besides interest, means may be commanded fully adequate to the wants of the Treasury, without violating the act of 1836.*

The proposition to withhold this surplus would be more tolerable, if it were intended to prevent the creation of a new national debt; my aversion to which, if any thing could, might induce me to support it. But it intends no such thing. The President boldly announces to the people of the United States the startling purpose of fixing upon them a new public debt—not in a direct form, but under the insidious disguise of Treasury notes. The employment of these notes is, in the end, more pernicious than any other expedient of finance that could be adopted. Under its cover a public debt steals upon the nation by degrees, imperceptible to the people; and the first signal of approaching danger is, depreciated Government paper, and public credit prostrated, with impending burdens and taxation in the rear.

The plan of the administration, then, being not only to withhold the fourth instalment, but to lay the foundations of a public debt also, if a deficit in the means of the Treasury should be found actually to exist, why may it not be

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* Without aiming at exact accuracy, the following is believed to present, substantially, the condition of the Treasury:

It is chargeable with—		
Balances of appropriation, on the 13th of December, 1836		$16,752,283 09
Appropriations for 1837		28,575,837 10
Other appropriations, specific and indefinite		2,824,250 40
October instalments due the States		9,367,214 98
Making		$57,519,585 57
From which deduct—		
Amount paid up to 11th September, 1837	$24,077,031 22	
Postponed appropriations	15,000,000 00	
Estimated receipts for the balance of the year	4,500,000 00	
In banks, the mint, and hands of collecting officers	14,596,311 00	
Making		58,173,342 22
Leaving an excess of		$653,656 65
To which, in case of obstacles in collecting from banks, or other causes of unavailability, &c., add the bonds (readily convertible into cash) held by the Government on the Bank of the United States, payable in four annual instalments, commencing on the 1st of October next, deducting the interest of the navy pension fund		7,204,995 16
Exhibiting a total excess of means of		$7,858,751 81

supplied by an increased issue of Treasury notes? The principle having been assumed, a mere question of amount can be of but secondary consideration.

Sir, if the Treasury were reduced to the greatest conceivable wretchedness, the present times and condition of the country imperatively forbid the measure now proposed. The opening of a new administration, or perhaps, more properly, the beginning of a continuation of the past administration, finds this nation plunged into universal distress, reaching, indiscriminately, every class, condition, and pursuit of life.

The actual condition of the country has, until very recently, been a subject of much controversy. By one party it has been represented as I have described it. The administration took the ground—as a party measure—that the country was, in fact, in the highest state of prosperity; the official organ taking the lead, by declaring that "there was no pressure which an honest man need fear." The thousand satellites revolving around it, reflecting the light—or darkness—thus imparted, united in the strain. Under these siren songs, multitudes of the friends of the administration, shutting their eyes to what was transpiring around them, and closing their ears to the cries of surrounding misery, remained insensible of the real condition of the country, until themselves fell victims to the distress, the existence of which they were taught to deny. The suspension of specie payments by the banks, the overthrow of the financial system founded on the deposite banks, and the proclamation of the President, convening Congress, to consider of "grave and weighty matters," bred some suspicion among the faithful that all was not well; and the message fully settled the question. The President's manner of unfolding, through the message, the state of the country, is singular, though probably characteristic. He breaks to the nation the subjects of its griefs with a parental tenderness, and by degrees. The blunt and frightful truth, it was feared, might shock the sensibilities of a party, long habituated to the deafening note of "unexampled prosperity." "Embarrassments in the pecuniary affairs of the country,"* are first gently hinted at; "the difficulties experienced" shortly after grew into "unexpected exigencies," and they, again, into "a revulsion." "Destructive consequences," "wide-spread and calamitous embarrassments," "plunged into distress," and "disastrous derangement," are revealed in rapid and dread succession; and the dismal climax at last terminated in "an overwhelming catastrophe!" His country's misery is recurred to with a mournful frequency; and every touch deepens the picture: and as the ghost of a nation's murdered prosperity rises up before him, he has hardly resolution to plead, like Macbeth,

> "Thou can'st not say I did it; shake not
> "Thy gory locks at me."

He confesses "the unpromising truth;" and his confession, like those of another class, less enviably elevated, dwells, with a melancholy satisfaction, upon the most dreadful particulars; and, as in other cases, the fulness of the confession is relied on, in his application for mercy, where he reminds the people that they will "never desert a public functionary laboring for the public good." Of the pecuniary condition of the country, then, we have the highest official information.

Nor is its condition in other respects less deplorable. Pillar after pillar, and column after column, of the federal constitution, struck down by repeated assaults, and now in fragments at the feet of the Executive; an extravagant and profuse, if not corrupt, administration of the Government: an Indian war prosecuting at enormous expense, with extreme imbecility, and disgracefully to the American arms—all subjects of loud and just complaint by the people. The standard of national morals lowered, under the example of lawlessness set by the Federal Executive, and the influence of a policy which convulsed and upset the regular business of the country, by turning loose a spirit of wild and reckless speculation; riots, mobs, insubordination, and bloodshed, marking almost every day of our recent history. In short, sir, when the condition of the country is such, that the Secretary of the Treasury, enabled to discover no green spot in its affairs not blighted by "the evils occasioned by the waywardness of man," with every appearance of complacency, consoles himself with the reflection that the country itself has not fallen a victim to some great "physical calamity!" When it has come to be a subject of official gratulation that our beloved country is spared us! that no tornado has overswept it—no pestilence depopulated, or earthquake swallowed it! To which, let it be added, that the people are now looking to Congress with an intense and almost morbid anxiety for relief—speedy and effectual.

Now, sir, suppose, in the midst of all these troubled and stormy elements, roused by the misdeeds of our own rulers and these just expectations of relief, that the Government, instead of administering that relief, shall go forth, as this bill proposes, with sword and torch in hand, in quest of that same dreaded—detested—discarded surplus; threatening to tear up by the roots the most cherished systems of the States, by holding out an early abandonment of them for want of means, or the dismal prospect of supporting them by grievous and interminable taxation; and when it is remembered, too, that with the State Governments, taxation is such in fact—direct—and seen and felt in every step of its progress; not like that of the Federal Government, unperceived and unknown by the people, except as announced, from time to time, in the reports on the finances, can any one doubt, under such circumstances, its disastrous tendency, and utter inexpediency as a financial measure? But it is of no purpose to enlarge on this view of the question.

In representing the effects of this bill, if passed, upon the States, I speak of it as looking to the entire revocation of the act of June, 1836. For, sir, I now warn the States that if that act is suffered to be violated in one jot or tittle, it is lost to them—wholly—and forever. Once divest it of the sacred character which I have ascribed to it, construe it as a mere deposite act, and treat the States as other officers of the Treasury with funds in their possession, and it will be infatuation to hope to retain, for any considerable time, the money already received. Their only deliverance lies in the defeat of this bill; for even if the repayment of the amount now with the States should not be shortly exacted, the act will be so far shaken by this bill, that they cannot wisely or prudently rest any public measures upon it.

Yet, sir, intense as might be their suffering under such an operation, the people might endure it with some appearance of patience, if its object were different. But it is one of a system of measures devised by the administration, and recommended in the message, and now in the shape of bills before Congress, to sustain and relieve the Government, without the least reference to the fate of the people. To justify himself in this selfish and unnatural policy, and to silence the murmurings of a suffering and supplicating people, they are met with the chilling and repulsive information by the President that "they look to the Government for too much," and that the constitution was framed on "a sounder principle" than to authorize Congress to extend them relief; in other words, that the Government, which they have lately seen prove itself so almighty for the purposes of mischief and distress, is, under this self-denying doctrine, utterly imbecile for the purposes of good. Its own relief and preservation alone occupy the mind of the Government. The "grave and weighty matters" which Congress has been convened to consider thus resolve themselves

* Extracted from the message.

into measures to discharge in specie the demands of all the office-holders, contractors, and other dependants on the Treasury, from the Chief Magistrate down; being, substantially, an increase of their compensations to the extent of the premium on specie, now between eight and ten per cent.!

I trust, Mr. Speaker—I *know*—that I sympathize from my very heart with the people in their present adversity; and deeply deplore, "more in sorrow than in anger," the folly and madness of the policy which inflicted it. I stand ready by my vote to alleviate it by every means known to the constitution. I condemn and sincerely lament the determination of the Government to separate, in the hour of tribulation, its fortunes from those or the people, and, from its secure position on a specie medium, witness without emotion their calamities. But, sir, in the midst of this general gloom, there is one ray of consolation. The Government, under the same policy which has brought distress upon the people, is itself fast approaching a point of financial weakness, which, under wise counsels in this House, may ensure a real, substantial, and permanent reformation of its abuses. The extravagance and profusion of expenditures which have marked the late years of its administration, and, in greater or less degrees, forced the State Governments into an imitation of its pernicious example, may be effectually arrested. Its retrenching influence has already been manifested in a report of the Secretary of the Treasury, under a resolution of this House, that appropriations of former years, to the amount of fifteen millions of dollars, might be postponed without material injury to the public service. Governments, like individuals, are not sensible of what they can dispense with, until instructed by the hand of adversity. In this respect, the present exigency is peculiarly favorable. Maintain the inviolability of the act of June, 1836, and the fourth instalment may be held up *in terrorem* over the Government. The States will be enlisted on the side of retrenchment and economy, as the only means of securing the benefits of that instalment, and of escaping the load of direct taxation which awaits a recall of the instalments already received; and that recall must ensue, at no distant day, if the Government persists in its profusion. I am solemnly convinced that the Federal Government, administered with an eye to direct taxation for its support, would be conducted, in all its constitutional efficiency, upon an annual expenditure of twelve millions and a half of dollars—scarcely half the sum now applied. Its tendency to abridge executive power—the great bane of the republic—is no less apparent.

For one, then, sir, I embrace the occasion; and, without respect to the course of others, shall cleave to it resolutely, obstinately, and to the very last. I had no hand in producing the wreck our finances now exhibit. I view it as an existing "result of the disasters of the times;" and but seek to convert it into an instrument of good. Left to its own action—unsmitten itself by the hand of misfortune—the Government would never have returned of choice, nor could have been brought back by force, to the symplicity and economy which lie at the root of our institutions; for no Government, when once fleshed in profusion, is ever satiated, but rushes on, ravening more voraciously every step it advances: of which the history of our own affords trumpet-tongued proofs. In this House all revenue bills must originate. It is the constitutional guardian of the people's money. I wish to make it such in fact Of late years, the voting of millions at a time, without debate, inquiry, official estimates, or time for deliberation, has been a scene regularly recurring at the close of every session of Congress. This should not be; and I entertain a strong and, I trust, patriotic anxiety to witness the day, at no distant period, when a demand by administration for money shall involve high and substantial responsibility: an event inconceivably important to the purity of the Government.

Considerations like these, if no others existed, would at once decide my opposition to this bill. But I am taxing too heavily the attention you have so flatteringly extended. I take leave, sir, of this wretched expedient.

When Mr. MENEFEE had concluded,

Mr. FRY said it was well known to the House that it was very seldom he troubled the House with any remarks. He generally contented himself with giving a silent vote upon every question presented to him. But, sir, so many gentlemen seem disposed to induce the belief that this bill of June, 1836, was conceived in a spirit of distribution, that I feel called upon to say that I know better. Sir, I was a member of the Congress that conceived and brought to perfection this deposite bill; and, sir, I appeal to every gentleman who acted with me at the time, to say whether it was not, in every sense of the word, clearly a deposite bill; a bill, the object of which was to secure the public moneys, to give safety to the funds of the Government, and an enlargement of the system of deposite commensurate with the immense augmentation of its funds. To show that it was considered a distribution act, the gentleman from Kentucky, who just addressed the House, has cited the speeches of two gentlemen from New York, and one from Pennsylvania. It is well known that each of these gentlemen was opposed to the passage of that bill, and they took the ground with a view of defeating the measure. Sir, let me turn the attention of the gentleman from Kentucky to a speech which was delivered while the bill was under consideration by the distinguished gentleman from Virginia, [Mr. MERCER,] who addressed the House yesterday: "Mr. MERCER was astonished that gentlemen should consider the two propositions distinct. He would not vote for the one unless united with the other; it was a proposition to reduce the amount of deposites in the banks from thirty-eight millions to five millions; it was an important part of the subject regulating the deposites, and indissolubly connected with it; it made the States responsible for the repayment of the money, and ought not to be called a distribution." Here are the remarks of a gentleman who participated in the debate at the time, who knew well the spirit and meaning of the act. Sir, what is a distribution? A distribution must have an object in view. If this money was distributed among the States, for what purposes was it distributed? Was it a donation to the States? If it was, why the necessity for any provision for its repayment? Was it a loan to the States? If we turn to the proceedings of the Senate upon that bill, you will find that upon a motion to strike out the words "deposite with the States," and insert "loan to the States," there were but five out of forty-five votes in its favor. It then clearly was not a loan, nor a donation, and not a distribution in the sense which it is endeavored to be sustained here. Sir, I know the act was a deposite act; and I know it was not until the bill, when it came into this House, was stripped of every feature that would characterize it as any thing else than a deposite bill, that those who eventually supported it could be united in its support.

Sir, suppose Congress had at that time passed a bill to deposite thirty-seven millions of the money in the Treasury with the Bank of the United States, and suppose a fourth instalment was claimed by that bank, under the same circumstances as gentlemen now claim for the States, does any gentleman think that the bank could claim? Or, suppose the Secretary of the Treasury, on counting up the balance in the Treasury, on the 1st of January last, had made a mistake of ten millions, and that, consequently, three instalments would have absorbed the whole Treasury, should Congress borrow money merely to make that deposite with the States? It cannot seriously be thought of. Sir, it was a deposite bill; the States have nothing to claim; they entered into no contract about the money;

they had merely to say whether they were willing to become the depositories of a part of the Government funds or not. If the appropriations made by law since the passage of that bill had much over-reached the income of the Government, and to meet those appropriations the Secretary had withheld one or two instalments, without any legislation on our part, he would have been justified before the country. No man can or will deny it. Then how idle to contend that the Secretary of the Treasury shall make this fourth instalment with the States, and let the General Government borrow the money and tax the people, so that the instalment can be made. Sir, the people would not justify this House, if we should borrow money with a view to give it to the States. Sir, a distinguished colleague of mine, [Mr. BIDDLE,] I understood a few days ago to say that he could not return to his constituents, and say that he had relinquished Pennsylvania's share of this money. Sir, I am as willing, and I have always contributed what I could to my native State; and under proper circumstances, that is, if this money was here and not wanted, I should be the last man to withhold any thing from that State. But, sir, the people of Pennsylvania are too high-minded to beg from the General Government. Sir, the people of Pennsylvania, besides their industry and economy, have abundant resources without depending upon help from the General Government, especially when the General Government wants all it has for its own use.

I beg to differ from my colleague in one particular. I understood him to say that it was to the firmness and sagacity of the present Executive of Pennsylvania, that that State was in a condition not to require this fourth instalment. Sir, I have no fault to find with the veto message upon the improvement bill passed at the last session of the Legislature of Pennsylvania. But, sir, whether the policy of that message is to be attributable to the foresight and sagacity of the present incumbent, is what I doubt. That veto message, written in Philadelphia, as was generally supposed, was transmitted to Harrisburg, vetoing the whole bill, as it was expected it would pass. Unfortunately, however, before the message reached its destination, two or three material items of appropriation were struck out of the bill just before its final passage. Our worthy Governor, however, signed the message, and sent it to the Legislature, vetoing the whole bill, including the items that had been struck out. I do not recur to this epoch in the history of Pennsylvania politics with a view to derogate from the character of the Executive of Pennsylvania, nay, I respect him as the Governor of that great and growing Commonwealth, and he has friends here for whom I cherish the kindest feelings, and who I am proud to own as Pennsylvanians: but I recur to the fact to show that it was not so much to be attributed to the sagacity of the Executive of Pennsylvania, as my colleague was wont to show, that that State was in a condition to do without this fourth instalment.

Sir, it was stated here on yesterday by a gentleman from Massachusetts, [Mr. CUSHING,] that the amendment which was introduced into the deposite bill by a then colleague of mine, [General Anthony,] was written in, or came from, one of the departments, and that my colleague acted as the instrument of one of the executive officers in submitting it, and said he could prove it. Sir, I know not where that amendment came from; I know General Anthony presented it, and it was the only course that we could at that time unite upon. If the gentleman was in his seat, I would suggest to him that it probably would be better to justify that charge, with the proof which he has at hand.

Sir, I am opposed to making this deposite of this fourth instalment, because I am opposed to the measure of issuing Treasury drafts. I wish the Government to get along without a resort to an increase of paper circulation of any kind at this time. Sir, the banks, since the suspension of specie payments, have been gradually reducing their discounts, so that their condition, at this time, is infinitely improved to what it was when the suspension took place. If now the Government issue twelve millions of Treasury notes, they necessarily will find their way into the banks—the banks will discount upon them to at least double their amount, and when the time arrives for their redemption, you will find that by this act we have added twenty-five or thirty millions to our paper circulation without adding a dollar to the specie basis. Then, sir, when redemption takes place, the amount now issued will come in, and all that is issued upon it will fall to the ground, and another revulsion in our money affairs will take place, and every revulsion brings us nearer to a national bank. Moreover, if this issue takes place, and the consequent discounting upon by the banks, we will have the channels of trade bloated and inflated with a paper currency, as much and as dangerously as they were when the suspension took place. Sir, I am for collecting the money due the Government before I will resort to such a measure to raise money. Gentlemen here denounce the sub-Treasury system, and laud the deposite bank system for the collecting and disbursing of the public money. Sir, if the banks are safe depositories for the public money, then they are able to pay the Government what they owe it, and we need not resort to that issue of Treasury bills. Sir, I think it is due to the people of this country, at least, to make an effort to collect some of the money in these banks, and owing by the merchants, before we authorize the issue of any paper money, without it be upon a specie basis. No doubt the Government is amply able to redeem all the Treasury notes that may be issued, but it is still objectionable, and I think exceedingly so, in consequence of adding to, and consequently disturbing the present state of our paper currency. Sir, the amount of paper money in circulation has diminished to a very considerable extent, which, to that extent, is an improvement in its value; and now for the Government to commence issuing paper drafts, or money, is only to throw the paper circulation into the same unhealthy state from which it is now recovering. With this view, I am opposed to any addition whatever to the paper circulation of this country, without a corresponding acquisition to our hard money. Sir, I am also opposed to an extension of credit for duty bonds due the Government. Sir, I believe this Government ought to require cash duties upon all importations into this country, to be paid as soon as a cargo is discharged.

Sir, if we extend the time of paying those bonds that are due to the Government and ought to be paid, what will follow? Why, sir, immense importations. Our merchants have been gradually reducing their debts abroad; importations have in a measure ceased; goods have accumulated in the hands of foreigners; they are anxious to sell, and our merchants anxious to import, and if they can get Congress to trust them, our markets will soon be overstocked with foreign goods and our own manufactures will suffer—and what is to follow that? An increase of the tariff. Sir, I am opposed to legislating money into the pockets of any class of citizens. It is the duty of the Government to require the taxes to be paid as they fall due. The farmers of the country cannot get credit from year to year for their taxes, and you ought not extend to others, or to any, what you cannot extend to all. Before I leave the subject, I will answer an argument made use of here, which was intended to show that the immense increase of bank capital within the last few years was owing to the destruction of the United States Bank. Sir, I agree that there may have been some increase of the banking capital of this country when the recharter of the United States Bank was refused; but, sir, I put it to the candor of gentlemen to say whether the greatest extension of our

paper currency did not take place after the Legislature of Pennsylvania, of 1835, with the present Executive of that State, by some kind of political galvanism, again resuscitated the dying Bank of the United States. Sir, it was then that the States took the alarm at the position of Pennsylvania, in granting a charter of thirty-five millions to a bank; and it was then that State jealousy caused an immoderate increase of banking capital.

I hope the House will pass this bill, and we have this amount of money towards defraying the ordinary expenses of the country. Let us collect the money due upon the bonds given for duties. Gentlemen say if we collect it now we will lose it. If it cannot be collected, I am willing to lose it. I want the people of the country to know what they have to expect. I want the Government to collect what is due it, and then if it be not sufficient, the people are at all times ready every one to contribute his part to the support of his Government.

Mr. POTTER addressed the Chair as follows:

A desire to give my reasons for my vote on this question, so that it may appear in a correct point of view before the tribunal of the people of my district, has overcome the reluctance I feel at this period in trespassing on the time of the House.

Until recently I could not have imagined that, on the floor of an American Congress, we should hear the clarion notes of triumph and the shout of joy, at the embarrassments of the national Treasury, produced by the pecuniary distress of the people and the derangement of the monetary affairs of the country. The question has been discussed as one of an entire withdrawal from the States of a part of the boon proffered them by the deposite act. Not so in my view. Bills are on our files giving time to the merchants and the deposite banks to pay the debts due the Government; and all that is contemplated by that under consideration, is to delay the time of deposite with the States until the situation of the Treasury will warrant it being made, without conflicting with other and pressing interests. The action proposed by the various bills reported is a plan, taken in unison, to relieve the pressure on the people, by interposing the credit of the nation, and giving time for the panic to allay itself, and confidence be restored in the community. The States are required to bear a portion of the inconvenience for the relief of the people. My sensibilities are enlisted in favor of the States, and none regret more deeply the temporary embarrassments which they may labor under by the postponement of the deposite of the fourth instalment. As they have received three instalments of the surplus, which remain with them untouched, and in future will, in all human probability, receive the fourth, as a measure of relief to the people I go for the bill. As one of the Representatives from Pennsylvania, I am constrained to declare my dissent from the opinion expressed, that, if it had not been for the wisdom and foresight of the Executive of our State, Pennsylvania would now be looking with "anxiety and trepidation" to the discussions in this House. With her resources, her high credit, her untarnished honor, and unblemished faith in the fulfilment of every engagement, the postponement of the deposite of about nine hundred thousand dollars in her Treasury, never could have caused the enterprising and intelligent people of this great State either "anxiety or trepidation!" The ability of Pennsylvania to command any money necessary to carry out her magnificent plans of public improvements, stands upon a proud and lofty eminence, not to be shaken for any such reason, or by any such cause; nor can my concurrence be given to the encomium bestowed upon the foresight of our Chief Magistrate for his veto of the improvement bill, although, if consistent with my ideas of right, nothing would be more gratifying than to place that officer, or any other citizen of my State, on such vantage ground. That measure was political, and intended to procure a different distribution of the funds appropriated to different objects at the close of the session, so as to further the interests and gratify the wishes of certain leading partisans of the State administration. The result was that the banks in Philadelphia reaped the benefit, and the people sustained the injury, by this boasted policy and forecast of our "sagacious Chief Magistrate!"

The accumulation of unavailable funds in the national Treasury has induced a syncope, which requires an immediate remedy. This disease has been attributed to an unwise change in the depository of the public money, and the veto of the bill rechartering the Bank of the United States by the late President. In my mind, the causes of the evil can be traced to other sources. If the depository had not been changed, and the bank rechartered, the only difference in our situation would have been that the unavailable funds would have accumulated in one, instead of various banks. The Bank of the United States, under the direction of the same master spirit, with increased powers, is yet in full existence. Was it able to withstand the storm; and has it been exempt from the destiny that overturned and laid prostrate the other banking institutions of the country? Ah, no! It has shared the fate of its compeers, has also dishonored its bills, and suspended specie payment, with an exhibit of a specie basis to meet its engagements, judging from the last return made to our Executive, which rendered that measure as necessary for that as any other bank in our State. It is asserted, this would not have occurred if it had been a national institution. Authority is at hand, which pronounced, on a memorable occasion, "that the new charter had the advantage over the old one." This was the deliberate judgment of the distinguished and able president of the late and present Bank of the United States. The reasons he assigned for this preference were, "in its longer duration; in the enlargement of its powers; in confining the rate of discount at half per cent. for thirty days to loans in the State of Pennsylvania, leaving the bank elsewhere to the rate of interest fixed by the local laws; in its exemption from the expenses of doing the business of the Government; in its total separation from all the officers of the Government—an unnatural connexion, beneficial neither to the bank nor to the Government; in its not being obliged to incur the expense of establishing branches." If this experienced and unrivalled financier was right in his appreciation of the State charter, the new bank was stronger, more efficient, and better able under it to sustain itself at a dangerous crisis, and on an imminent emergency, caused by the convulsions and storms in the commercial world, than under the charter offered by Congress. The current of events has proved that with all the advantages enumerated, the bank was unable to maintain its credit and redeem its obligations. What prospect was there, that, as a national bank, with powers diminished, onerous duties to perform, and heavy expenses to be incurred, it could have saved itself from the violation of moral duty, and legal restraint, committed by the suspension? Reasoning by analogy, the only true test applicable to the case, it must be conceded that the same causes which prostrated a stronger institution, would inevitably, under similar circumstances, have produced like results on a weaker bank. Doubtless the President of the United States will be gratified, and his friends encouraged, by the coincidence of views entertained by the great banker in common with the Chief Magistrate, on the important question of a divorce of that "unnatural connexion" between the Government and the banks, and felicitate themselves with the hope that this high authority will convert myriads of the devoted followers and faithful admirers of the president of the Bank of the United States to the doctrines of the message. It is due to candor to admit, that the president of the bank, on the remarkable epoch of the suspension, announced, "that

had it (the bank) consulted merely its own strength, it would have continued its payments without reserve." The same reliance cannot be accorded to this declaration. In my judgment, it was but an apology for the suspension, and a part of the process used to bolster up the credit of the institution, and detract from the shock feared on the suspension of this great moneyed leviathan. If its strength would in fact have warranted a fulfilment of its obligations, every inducement of interest and reputation was in favor of the effort. A successful attempt would have avoided the danger of a forfeiture of its franchises, under the provisions of its charter; again have secured, by the act of 1836, the deposite of the public money in its vaults, and escaped the other penalties inflicted by its charter for a violation of its privileges. The peculiar situation in which it stood with a majority of the people of Pennsylvania, was persuasive cause for its straining every nerve to pay its obligations in gold and silver. By the act of suspension, if the bank, at the period of its occurrence, had abundant means to fulfil its engagements, the restrictions of law and moral duty were unblushingly violated without the existence of an overruling necessity, the only excuse that can be tolerated for such conduct. The high minded and honorable citizens of my native State, who compose the directory and officers of that institution, were driven to a suspension by dire, dire necessity. It was a misfortune which all lament, "but its continuance will be a reproach which all true men must rally to save" our country from. When the hour of rally came, when a measure was recently proposed, calculated to relieve our country from this foul stigma, did this powerful institution unite in the attempt? No! Under her leading, the Philadelphia banks declined a participation in the effort. Improvident as has been the course of the banks, injurious as their over-issues to our common country, ruinous as the wild spirit of speculation fostered and cherished by them has been to the community, evil as the example set by a violation of legal and moral principle, in the refusal to pay their debts, yet if all this was done, by any one or all of them, with abundant means, and "strength without reserve" to redeem their obligations, what was such a suspension, but a fraudulent conspiracy to withhold the payment of just claims? In that aspect of the case, the strong and indignant language used by a venerable gentleman, then and now a member of this House, [Mr. ADAMS,] and which I always deemed harsh and unmerited, when he asks, "What difference is there between the president and directors of such a bank, and the skilful artist who engraves a bank bill, a fac similie of the one signed by the president and cashier, and saves them the trouble of signing, by doing it for them?" would have been just and appropriate.

If I comprehend the fiscal situation of the Treasury, from the report of the Secretary, there would not, on the 1st of October, be sufficient available funds in the Department to pay the amount transferrable to the States, by the deposite act, by one third. Congress must, in that event, provide the funds, to enable the Treasury to make the deposite with the States; and, when that sum is provided, at the close of the year, unless further provision is made, the Treasury would be empty, and the operations of Government suspended. Not a dollar would be left to supply the mint, to meet contingencies, or the current expenses. Under this state of the Treasury, the question is presented, Is the nation bound by contract, express or implied, to deposite these nine millions with the States? If she is, a high sense of duty imperatively commands a fulfilment of the bargain. Nay, if the faith of the nation is pledged, so that it would be dishonorable to make a temporary postponement of the deposite, the pledge must be redeemed. That the deposite act created no obligatory compact with the States seems clear. The act of 1836 had two objects in view: 1st, to secure a safe depository for keeping the public money, under specific regulations by law. 2d. A large surplus had accumulated in the Treasury, not immediately wanted for the exigencies of the nation. It was to be so deposited, as, in the interim, to be used for the benefit of the people. The 13th section, after a reservation of five millions from the surplus, directed the remainder to be deposited with the States. What were the States to receive? The surplus remaining in the Treasury. If none remained, the proposed deposite never could be made. The measure would, in that result, have had no operation. This act did not, nor could it, prevent Congress, after its passage, and before the 1st of January, from appropriating part, or the whole amount in the Treasury for the support of the Government, the defence of the country, or its security and prosperity. A new era existed in the financial situation of the country. The national debt was extinguished—the Treasury overflowing. A rapid reduction of the revenue would have prostrated great and important interests, built up on the faith of previous legislation. What was to be done with the money? Objections of a serious nature arose to almost every plan proposed for its disposition. At last, the mode of making the States the depository was agreed upon. They were "to keep it safely, and repay it whenever required for the purpose of defraying the wants of the Treasury." Do these terms partake of the character of a contract? Are they not the mere expression of a deposite for safe-keeping? No mutual equivalent exists; no *quid pro quo*, which constitutes the essence of a contract; no consideration on which an obligation can be founded. At what time was the contract consummated? At the passage of the act, at the period of legislative action by the several States, or on the report of the Secretary ascertaining the amount for distribution? The act was passed on the supposition that a surplus would, on a given day, be found in the Treasury. If the Secretary had ascertained that no surplus was there at the period fixed, what claim would the States have had on the nation to raise a surplus, and what amount of surplus would have been necessary to satisfy that claim? Their expectations would have been excited, and their hopes raised, by the passage of the law. Suppose the Secretary, in ascertaining the surplus, had committed an error, and instead of thirty-seven millions, there had actually been but twenty-eight, would the act, and the proceedings under it, have created an obligatory contract, binding the nation to raise, by loan or taxation, the additional nine millions to deposite with the States? If not, where is the distinction between it and the reduction of the surplus in the Treasury by the convulsion of the times? The wants of the Government, to relieve the people in a period of great pecuniary embarrassments, render it necessary, for a time, to divert a portion of the surplus which the act contemplated depositing with the States. Is Congress bound to go through the farce of handing it over to-day, for the sole purpose of demanding it back to-morrow? The requiring a certificate, with the usual and legal obligations, pledging the faith of the States "for the safe-keeping and repayment of the money," negatives the idea of its being either a gratuity or an appropriation. When an appropriation is made, the money drawn from the Treasury, and expended, it is gone forever, never to be refunded or repaid. The obligation created by the act of 1836 may be legitimately classed with that order termed imperfect obligations, requiring their fulfilment, if an unforeseen difficulty had not occurred before the period of performance arises, which would have prevented the proffer from being made, if known at the time. Civilians term these "a promise made with fairness, and a real design of accomplishing it, but without any intention of giving the person to whom it is made a right of demanding its performance." What an extraordinary and dangerous state of affairs is presented, if the time of deposite is not postponed—the United States laying and collecting taxes, or borrowing

money, to deposite, when collected, with the States! In my judgment, no power is granted by the constitution to Congress to draw money from the people for any such purpose. To deposite money for safe-keeping, is not to pay a debt, nor is it necessary for "the common defence." If constitutional, its fatal and blighting operation upon our institutions might well be feared. To teach the State sovereignties to look up to the National Government as the great reservoir to supply them means of support, instead of a reliance upon the people, would inevitably destroy their independence, and introduce a system of extravagance and corruption which would speedily produce the ruin of the republic. The deposite act was a temporary expedient to meet an extraordinary crisis in the fiscal concerns of the country. The causes which gave it birth no longer exist. Postpone its operation until a similar occasion arises; then, according to the provisions of the act, let the surplus be deposited with the States. This will be doing justice to them, and redeeming honorably and fairly the hopes excited by the passage of the law. The people are the true and legitimate objects of the care of the National Government, within the sphere of its action. Their interests, their welfare, should be the primary object of our legislation. To lay taxes and collect them, with the deduction of forty per cent. from the amount assessed, expended in the process of collection, would be adding a fearful addition to the burden they already bear; and to entail upon them a debt at a period of profound peace would be equally unjust, unless the money is wanted to pay a debt contracted, or for the general defence and common welfare.

Mr. WISE said he was in no sense prepared to discuss this bill; and were it not that he alone of the opposition voted, the vote was proverbially 43 *democrats* and *Wise!* against the distribution bill—distribution bill it was; and was there not a seeming inconsistency between the vote he then gave and the one he now should give against this measure, he would remain silent. But (said Mr. W.) I am peculiarly situated, and must explain my position. I shall vote against this bill to postpone the fourth instalment under the law of 1836; and, inasmuch as I voted against the law to create that instalment, I must explain.

What a change has "come over the spirit of our dream!" Sir, this all does seem like a dream to me. But yesterday—as it were, last week—we were debating and deliberating upon the great and solemn question, What shall be done with our immense surplus revenue? We were told by the President, by the party, by the press, that the nation was in a state of the most exuberant prosperity; that the Treasury was overflowing with millions, and countless streams of revenue were still pouring in from customs and from lands. We saw one of the strongest friends of the administration in the Senate [Mr. BENTON] proposing bills of appropriation for the most extended works of extravagant expenditure, and providing for the most magnificent outlay of a splendid Government. In two sessions of Congress we saw more than eighty millions appropriated by law, and we saw an opposition, jealous of Executive power, striving to curtail Executive patronage by putting a nominal surplus of more than thirty-seven millions out of the Executive hand! All this was but a year past—in June, 1836; and a year in the existence of a Government is but a day. What hear we, what see we now? What do we hear and see in September, 1837? Sir, we are now called together, at an unusual time, under the most extraordinary emergencies, by an official proclamation of distress—distress among the people, and distress in the affairs of Government! What are the recommendations of the President? What are the propositions of the Committee of Ways and Means? Yesterday, sir, yesterday there were sixteen millions of unexpended balances of appropriations for 1836, thirty-seven millions and a half of surplus, five millions reserve for contingencies, sixty millions or more in the Treasury; and now, sir, though the States have been paid but three instalments, though appropriations to the amount of fifteen millions have been suspended, we are told that the Treasury is bankrupt! Sir, look at the bills on your table. After all this prosperity, so soon after all this richness and superfluity of means, of a sudden we see a bill to postpone the fourth instalment to be paid the States; a bill to issue ten millions of inconvertible Treasury notes; a bill of bankruptcy proposed; a series of acts, like fishing nets, put out to draw in your small remnants of resources to replenish our exhausted coffers; a series of measures to rake together the small change of Government, which lies scatterred in the places where the bulk of our treasures were supposed to be! How came this change? What means this immense and sudden vicissitude? What has produced this scene of loss and ruin and confusion? Sir, it may surprise some, it does not surprise me. It is exactly as I always thought it would be—it was all humbug. You never had the money; it was a delusion; the people were deceived and imposed upon. One reason why the Government opposed the deposite act was because it was sure, in the end, to expose the fact that we had all along been toppling on the giddy height of a delusive and false prosperity, ever verging upon an overwhelming catastrophe!

The catastrophe has come and overwhelmed us; we are now bankrupt, and we are asked to take back this gift we made to the States in the moment of our delusion and folly; to postpone the fourth instalment until further provision by law. I will not vote to do it. I will vote against this bill for the same reason, the very same reason I voted against the deposite act itself.

This bill is, as was that, in fraud of legislation. I will say it boldly, that every word said by the young gentleman from Kentucky [Mr. MENEFEE] is true. That act was a distribution bill, not a deposite act, and so understood by most who voted for it. It was openly advocated as a distribution bill, and opposed by me on this floor as a distribution bill. By the leaders, at least, of parties, it was never intended as any thing else than as a distribution bill, and they never expected that a dollar deposited with the States would ever be returned to the General Government. It was a disguised measure, and therefore I opposed it. It said one thing and meant another; it was a deposite bill on its face, and a distribution bill in the intention of its legislators.

It is true the great question was, What shall be done with the surplus revenue? It was a great source of corruption; most of the opposition feared that so great a money power left with a corrupt Executive would enslave us; the plans to dispose of it were numerous, almost infinite; there was a great and irreconcilable diversity of opinion among most of us; the land bill had failed. It was at such a moment when I, as well as many others, began to be willing to dispose of it in almost any way, to take it from the hands of power and its parasites—hands which seemed to grasp it with an iron hold—it was then, I say, I saw that truly gallant and great man, who is always wide awake, and always knows when to strike for his policy, who has always been consistent and constant in one line of policy, HENRY CLAY, who, if he be the father of the American system, has ever supported it with a master hand. I saw him convert the word distribution into deposite, and the public money into the public lands. I saw him bring forth that deposite act, and though oft baffled, though comparatively weak in the numbers of his party, clearly in a minority, yet it seems impossible to resist him; he will be felt, will be heard. I saw him carry his measure, in spite of all, successfully, triumphantly! He carried the substitute for his land bill in a way most surprising to me. I saw the State rights men, of the strongest calibre, carried along with him, and aiding in the support and success of the distribution bill.

Sir, I regarded that bill as the very acme of the American system. I was astonished to see how the strait-jacket politicians were caught by it. Every effort was made to obtain my vote for it; some of my State rights friends endeavored most strenuously to prevail on me not to vote against it. No, I told them they were exceeding the most ultra-latitudinarians; I could not vote for it; it was unconstitutional.

It went beyond the system of internal improvements by the General Government, and beyond the tariff; it went not only to buy up sections and districts, but it was at once a wholesale purchase of every State in the Union. It went to buy up the bodies politic, which were the only, if they were any, checks upon this already mammoth central Government. I contended with my then State rights friends that a distribution bill went to fix tariff and internal improvements both upon your policy. We would divide out some thirty or forty millions to the States, and they would return to the crib, and forever hereafter seek the hand that fed them. I reminded gentlemen that the States had not the unobtrusive and silent means of laying and collecting taxes, by duties and imposts, which this General Government has; that they all had large schemes before them, and it would corrupt them at once, if they were permitted to taste of the bait which the deposite act laid in their way; that it would enable them to complete their works of internal improvement, and the act was but an indirect mode of carrying on internal improvements by the General Government; that the system of distribution insured at once a high tariff and an immense revenue. The States having once tasted of the sweets of millions, easily collected for their various uses, would cry like leeches for more, more, until taxes would become intolerable, and the Government become consolidated. Nor would the constant demand of the States for more treasury-pap diminish the wants or stint the supplies of the General Government. The largest possible revenue would be raised, infinitely beyond all reasonable wants here; and a constant scramble would certainly occur among the large and small States in Congress for appropriations of as much as could possibly be got by each State before the day of distribution came, and then each would come in still for an equal share of what was left. Thus would the most extensive and alarming scheme of high revenues and of extravagance of which the mind of man had ever conceived be fastened both upon the State and Federal Governments; and it was useless to contend for strict construction and limited powers, if such a measure was to prevail.

I urged other objections in vain. This measure of distribution was inserted in a bill to regulate the deposite of the public money, which recognised and sanctioned every principle which had been relied on by Mr. Taney for the removal of the public deposites from the Bank of the United States. The bill, so far as it was a deposite bill, left the entire custody and control of the public money to the Executive. You know, Mr. Speaker, for then you were chairman of the Committee of Ways and Means, that the administration proposed, the very next session after the removal of the deposites, a bill to regulate the public deposites precisely similar, with the exception of the distribution feature, or deposite of the surplus with the States, and the opposition then would not touch such a bill. Mr. Binney, a distinguished representative from Pennsylvania, then offered an amendment, requiring the deposite banks to have at least one-fifth of the amount of their deposites in specie; the "metallic currency" party refused to adopt that amendment; that bill was not passed, and the public deposites remained three years in the State banks, without regulation by law. Yet, in 1836, when the same bill was proposed, with this bait in it, all went for it *en masse*—without scruple, without requiring any specie security from the banks, and leaving the Government funds and five millions excess wholly at the discretion of the Secretary of the Treasury. Sir, the people had become dissatisfied with the unregulated state of our finances; they had begun to clamor for some regulation by law, and, being unable to regulate the public deposites under proper limitations and restrictions in respect to their safety and the power over the public money of the Executive, my policy was to leave the public money wholly in the hands and at the will of the President, and to hold him responsible for that condition of things before the people until it could be placed under the custody of law by proper legislation. If we had returned to our constituents with the report that the Executive still held the public purse without the sanction of Congress, they would have remedied the disease of the country before this day, and this day of distress would never have come. That deposite act, in part, caused the Treasury circular, and other Executive measures, which have produced the catastrophe of these times. You passed that act; the public mind became quieted, because all the leaders seemed to unite and acquiesce in the wisdom of its policy, and all complaints to the people concerning the insecurity of the public money were unheeded, and its custody and control became vested in the Executive by general consent.

Another reason why I opposed that bill was its unjust and unequal mode of distribution. Delaware got just three times as much as she was entitled to, and Virginia, instead of getting about one sixth, what she was entitled to by the federal ratio, got about one-eighth only of the amount distributed.

Sir, the bill passed the Senate. I had heard that the President would not sign it. When it came to the House of Representatives, I urged all the objections, and more than I have named. I then predicted that we should hereafter hear the very doctrines which we are now hearing, in support of the States' claims to this money; that we should never get a dollar back into the general coffers; that the States would seize it as their own. I have every reason to believe that this was all intended by some of my State rights friends, who now say this act was never intended by them otherwise than as a deposite act. They persuaded me to vote with them; this I could not do; and they then prevailed on me not to publish my objections to the bill; this I consented to, and have regretted it ever since. I then warned some gentlemen, who are now blaming the National Republicans for voting for large appropriations, that they were consummating the American system; portrayed the evils, the very evils which we now see, and preached against it, so long as my preaching was worth the pay. When the bill was carried out of that door by the engrossing clerk, or messenger, I said "there goes the death warrant of State rights!" I was sure the President would veto it; and if he had done so, I would have forgiven him for a multitude of his sins. I had heard him myself say, "When the General Government moves in its sphere, and the States move in their proper spheres, all goes on smoothly; but when this General Government becomes a great central tax gatherer for the States, they will be bought up, and the whole will result in consolidation. I never will sanction a bill tending to such a result!" But he did sanction that bill. How came he to do so, after having vetoed it in anticipation? You, Mr. Speaker, know how his sanction and signature were obtained. Mr. Butler, the Attorney General, can tell how. Sir, you changed tweedle-dum into tweedle-dee, tickled the old man with a straw, and he, at last, signed the bill, though he had sworn, in his wrath, that he never would. He understood the bill as well as I. The bill passed; it became a law, against my will, and against the will of the President. It was, in form, constitutional, in intention unconstitutional.

What have been the consequences of passing that bill?

The States of the Union have taken the money as their own. They have taken it just as the Secretary of the Treasury told the deposite banks to take what was deposited with them as their own—for loan, for use, for trade, for commerce. They have appropriated, used, and expended what has been given them, and have entirely anticipated the amount of the fourth instalment, yet to be paid them.

The proposition for this measure came from no State in the Union. You gratuitously passed a law giving them this money; and you have, by your own action here, unsought and uncalled for, induced them to incur large expenditures and heavy contracts. If you have not made strictly a contract with them, you have, wisely or unwisely, caused them to make contracts with others. Your gratuitous promises have caused them to enter into solemn obligations, which they must keep in good faith, though you fail to keep your faith and to enable them to comply with their obligations. The case is submitted to me as a chancellor. A father promises to advance his son; the son, on the faith of the promise, makes a purchase. Shall the father not comply? Yes, sir, so saith equity; and so I say. I will not put the States, by my vote, to the least inconvenience, even on account of promises gratuitously made by the General Government, and on the faith of which the States have proceeded to act or contract. Although I do not consider this a contract between the General Government and States, yet, sir, I am for decreeing, under the circumstances, for the States to take the money.

I have said I shall vote against this bill to postpone, because it is just like the bill it means in part to repeal. It provides that the fourth instalment shall be postponed until further provision by law. Now, sir, does any gentleman who will vote for this bill intend that the States shall ever receive or be paid this fourth instalment? No, he does not. By the word "postpone," you mean the word "repeal." You either mean to repeal, or you do not. If you do, why not say so? Why say one thing and mean another? If the bill means to repeal, it means to do so fraudulently, and therefore I cannot vote for it. If it means what it says, to postpone until further provision by law, it means still further to pledge the faith of this Government to distribute this portion of the fourth instalment—a measure to which I was always opposed, and therefore I cannot vote for it in either aspect. If you have never before committed yourselves to pay this money, you will have done so by this bill. Do you not plight the faith of the nation hereafter to distribute this amount? Postpone is not the right word for a measure of repeal; and to postpone until further provision by law, is to say you will at some time do what I was never willing should be done at any time.

But I have other objections. This bill is in aid of the sub-Treasury scheme, and it tends to put the State banks, which hold the balance of surplus revenue, into the power of an administration whose policy is to discredit and to destroy them.

Sir, let me ask those who call themselves Conservatives, especially, how they can vote for a bill which every body understands as a part of an entire system of warfare against the local institutions of the country? Every bill on your table tends to this one great point; to make all banks odious and insolvent; to put the screws upon them, and to check them up with the reins and stiff-bits of Government. These bills are all mere precursors of a Treasury bank, which can only be made tolerable in the public mind by making every other sort of bank intolerable. Credit must be destroyed to destroy the credit system. Is not this plain? Is it not obvious that this locofoco administration is courting the people and taunting the opposition to force upon it either a national bank or a Treasury bank? What is a Treasury bank, but a national, a United States bank, in its really odious form? Have we not the clearest evidence that an unrelenting war is commenced against the State banks—Jackson *duce?* Has not the "Greatest and Best" denounced them even with more venom than he ever denounced the great monster and Old Nick himself? Has he not denounced the local bank system of deposite as the most base and perfidious? And, sir, if any link in the chain is stronger than another to bind the local banks to the car of the Federal Executive, it is this bill. The gentleman from Kentucky [Mr. CHAMBERS] has, by a very able speech, relieved me from the trouble of demonstrating this. But he will not publish his speeches, though he delivers among the ablest we hear in Congress. I require of him to publish that speech, and I here rebuke him for not publishing others. He has demonstrated, sir, that this bill will call on the banks, and the banks will call on the people, for more than seventeen millions of specie. The banks are to be made to groan and call out in their distress upon the Executive for relief. Sir, I should think we would all remember other evidences of enmity from a certain quarter to the local banks: the evidence has not all been published. The chairman of the Committee of Ways and Means, [Mr. CAMBRELENG,] we are told by the newspapers, wrote to a friend in Albany that they then had the banks "on the hip." Now, sir, that is an old Virginia phrase in wrestling, and I tell the Conservatives that if they do not "mind their eyes," the deposite and local banks will all be "cross-hoppled" and laid flat on their backs!

[Mr. CAMBRELENG here interposed, and made some remarks to the effect that he was glad his letter had been alluded to, and that he was thus afforded an opportunity to publish it. He said a copy was at the service of the gentleman from Virginia, and he would be happy if the gentleman would publish it.]

Mr. WISE continued. Sir, I do not pretend to be certain of the contents of that letter. I will not say it will be found to contain the expression "we have'em on the hip," but I will risk its publication. Where there was so much smoke, there must have been some fire. It made, as it was said, Governor Marcy mad, and, at all events, will be found, I expect, to exult highly in the probable triumph of locofoco principles and events over sound credit and currency.

[Mr. CAMBRELENG. If he had thought there was any thing worthy of publication in the letter, he would have published it. Governor Marcy condemned the suspension of specie payments. But I never went so far as the gentleman from Massachusetts; why don't you wage war on him?]

Mr. WISE. Sir, I mean the Flagg letter. Let there be no tricks—give me the real letter. I'll publish it, and risk the advantage the gentleman has of furnishing me with whatever letter he pleases. If it be not found to contain the old Virginia wrestling phrase, I think it will be found to declare war, relentless and savage, against the local banks. Now, be it distinctly understood that I am no advocate of the deposite banks, or the State banks generally. I opposed the deposite pet bank system as inefficient and corrupt. I have been engaged the last two years in exposing its vices. I cannot bring my mind to choose between the pet bank system and the sub-Treasury. I am a friend to neither, and I shall oppose both; but I cannot consent to aid the Executive of the Federal Government in waging an exterminating war against the institutions of the States of the Union. I deprecate an alliance of State banks with this central power, no more than I do an executive war upon them. The rights of the States and the interests of the people of the States are too intimately blended with these institutions for me to consent either that they shall be corrupted and used for political purposes, or be prostrated and crushed by the General Government. They now have ceased to be "pets." Some gentlemen seem goaded by that appellation of them now, and I am

not willing that they shall become victims, like almost all our institutions, to be sacrificed at the shrine of an overweening federal power, which now, more than ever, darkens the land. The funds now in the deposite banks are not to be transferred to the States. The banks are not to be left to the mercy of their creators, but they are to be ground down by the tender mercy of this administration, which brought them to the very condition which is now calculated to render them odious and to furnish the pretext for oppressing them and their debtors. Whose interest is it now to show that they have been "base and perfidious?" Sir, I wish that my honorable colleague [Mr. GARLAND] was here. I would remonstrate with him, as a true conservative, against his remarks in favor of this bill. This is not a conservative, but a locofoco—a destructive measure. Sir, we are told that the funds in the deposite banks are not available. If they are not available to the General Government, they may be available to the States. And, if not available, why should they be withheld from the States when they cannot avail the wants of the Treasury? The local banks can pay the States, whilst they cannot pay the General Government. The States, wherein they are located, will take their notes. With their local currency they can pay the laborers on the works for which they have contracted on the faith of this deposite.

And, sir, if these banks can pay the States, and not us, they can thus pay debts to us which are now, we are told, in jeopardy. Sir, if you give this administration fair scope at these banks, I doubt whether they ever will be able to pay their debts. It is the interest of this administration to make the suspension of specie payments perpetual, until they carry out their favorite project of a Treasury bank, founded upon the prostration of credit in all the forms in which it now has, or ever has had, existence in this country. Indeed, sir, these funds are, it appears to me, more available in the local banks than they will be in any other condition in which they can be placed. By the protested warrants, as they have been issued by the Secretary of the Treasury since May last, you may make one million of funds pay ten millions of debts. This is an invention of these times of necessity; necessity is the mother of invention, as Mr. Secretary has proved from his schoolboy days, when he copied from the plate, up to this hour of financial distress, he being at the head of affairs. He has unavailable funds in the deposite banks; he draws his warrants upon them; they are protested, are bought up by public debtors, come into the Treasury in payment of dues, and then expire as receipts. Again and again this process may be carried on. He has issued about two and a half millions of these checks or warrants; one and a half millions are supposed to be in the hands of the monster Pennsylvania bank, and one million are outstanding, or have been paid into the Treasury. At one moment we are told these funds are chargeable with these warrants, and in the next we ascertain that the warrants die in the hands of public debtors. Thus, sir, we may draw on these funds *ad infinitum*, and if they be left in banks, and are transferred to the States, they will enable the States to fulfil their contracts with their creditors. Besides, when they are transferred to the States, the States become security for the banks; they become the depositories in fact, and may save the public money. If the money is never to be repaid to us, in the name of God let it go to the States, and do some good, whatever it may.

But, sir, though we are told these funds are unavailable, yet we are at the same time told that the Government cannot get on without these funds. If the funds are unavailable, how will they enable the Government to get on? Now, sir, I freely confess that I cannot comprehend this alledged deficit in the Treasury. I, like other pumpkin-headed gentlemen on this floor, cannot understand the Secretary's report. I figured upon its data until I threw down my slate in despair. But, sir, I have been struck with this singular spectacle—such an one, I venture to say, has never been exhibited before; it is a perfect commentary upon the misrule which has brought us to this scene of misery and distress. We see on one side the opposition to a man striving to demonstrate that the Government has funds and can pay its debts. And we see the administration, on the other side, those who were bound to see that the Treasury was not exhausted and the public credit preserved, to a man, from the Secretary down, striving to prove that the Treasury in their hands, and under their sole superintendence, has suddenly, from an overflowing state, become bankrupt? Sir, I call public attention to this utter profligacy. I ask, I implore the people to consider this spectacle, to contrast it with scenes which transpired before their eyes but yesterday. A moment ago we had a surplus—the party boasted of our means—they claimed the credit of an unexampled prosperity; to-day they come in to take the benefit of the insolvent law—they are ready to swear they have not, of all this surplus, left one dollar to pay our honest creditors! Such is their effrontery; the case speaks for itself, and I would speak to them. Sir, I would say to them, you must quit trading, you must give up the concerns of Government; you have proved yourselves incompetent from knavery or folly. "No man should trade on borrowed capital." You have brought the Government to bankruptcy and borrowing; you have three years to wind up your affairs; we will give you that time in which to settle with the people; and then we require you to give up their Government to safer and honester hands. Yes, sir, let us call to mind the scene exhibited here in March last, when the Greatest and Best was retiring from office, and his successor was installed, with his high approbation, under a solemn pledge to carry out his hallowed policy, big with national prosperity and grandeur—when the flow of milk and honey was promised to the land—when gold was to glitter on our very streets—when the great chief and the little *protege* were drawn on the fragments of the constitution by four white horses, as the kings of old, the horses almost pawing down the crowd, and the crowd shouting hosannas to their great benefactors. Sir, let us remember that scene in the east portico of the Capitol! All was well! The nation was prosperous and happy on the 4th day of March, 1837! Sir, I was a miserably discontented man; the old chief had told us the same story in his last message; I joined issue with him; I was guilty of sacrilege for daring to deny his statements. He said the Treasury Department had been well conducted. I drew Mr. Woodbury and Reuben, and the whole pack, before a committee of investigation; they all swore that all was right—the deposite banks, the Treasury, the whole Department, all, all was safe and sound. Sir, look at Mr. Woodbury's examination and the report of the committee last spring, as late as the 3d of March last; the delusion was kept up to the very instant of time, the 4th of March, the inauguration day, when the pet banks tumbled down one after another, like so many bricks on their ends in a row.

Truly, truly, it may be said, sir, that the evil which General Jackson did lives after him. He was the most fortunate man that God ever permitted to riot in success, and to triumph over much that was good! He warred without ceasing against the Bank of the United States; he rendered it an odious monster, and killed it in the confidence of men; yet all the time that he was in power, and wielding that power against that institution, it was fructifying the nation, sustaining exchange, maintaining credit, a sound currency, regulating, in a measure, excessive bank issues, meting out to labor its reward, insuring confidence in trade, keeping prices steady and advancing, and in every way warding off the evil day until after General Jackson's term of office expired. His monster lived to

keep him and his power and popularity alive, until it was too late to rebuke him for the mischiefs we now endure. It gave us a seeming prosperity which was all ascribed to General Jackson, and verily his enemy was made to praise him. Sir, it was the most signal instance of good fortune in his whole life, that the bank continued in existence until within one year of the expiration of his reign, and that the effects of its death could not be felt until one year after the expiration of its charter, and one day after his political career ceased! It was wonderful the coincidence of events. No one thought that disorder would so soon arrive; it waited not a moment after Jackson ceased to be President. You may look through his whole life, I say—to the cock-pit, the horse-race scenes, to his hair-breadth 'scapes in war, and to his glorious victories—and not find a parallel instance of good luck with this. We were told that the bank would fall like the oak in the forest, crushing every tender shrub in reach of its giant trunk and branches. Not so; it died, like a good man, quietly, and almost in silent prayer. The earth shook not at its fall; and yet in one year from that event the credit of the Government and the trade of the people are crushed. Sir, when it died, the arterial blood dried up; its bills of exchange, which it kept at the lowest rate in market, were that blood; it circulated in the great arteries between the exporting and importing points, between northeast and southwest, New York and New Orleans. The bank was your importing and exporting agent; the artery of internal exchange was cut, and the nation now lies bleeding to death! None of this happened, because it could not, until after Jackson ceased to reign. Now, oh! ye, the people, contrast the "last annual message of the chief, and his farewell address," with the first extraordinary message of his successor! Sir, the administration either knew of all these results which we have witnessed, so ruinous and disastrous, or they did not. They may take which horn of the dilemma they choose. If they did not see the operation of causes and the coming of events almost touching their noses;—events which were predicted for years; events which have followed so suddenly upon their boasts of prosperity; upon times when the administration party was for voting away millions for every species of extravagance; upon times when, instead of withholding appropriations, they were making the most numerous and extensive Government contracts, contracting away millions in a month;—I will not be harsh; I will not say if they did not know and did not consider, they must have been fools; or, if they saw and knew what was coming, and they did not warn the people, they must be knaves. A friend, the other day, said he would put both horns upon them, and make the beast complete! I will not say they must be both knaves and fools; but I do say there has been most shameful, wilful, blind, and gross mismanagement, and mal-administration; and if there be no hope of reform, all hope of preserving the Government and its freedom and purity must cease! Their great panacea, their deposite bank system, has signally, wofully failed. It was recommended and defended but yesterday as the best substitute for the Bank of the United States; it was to supply exchange, and perform every financial and commercial function; and we have seen, in a day, in what it has resulted. They now recommend another sovereign remedy, another king-cure-all, a sub-Treasury system. Are they to be confided in? Are they and their plan not to be distrusted? Are the people not sick of experiments? But, sir, this part of the discussion I must reserve for the time when the sub-Treasury system comes up; though I do not believe it will ever be presented, in good faith, to the decision and action of this House.

To return to the subject of this bill. The chairman of the Committee of Ways and Means says the question is as to our ability to deposite, not to pay, this fourth instalment. The amount of the instalment is unquestionably in the deposite banks. If this, as I contend, be a deposite only with the States, it will not in the least diminish the funds in your Treasury. Sir, according to my construction of the deposite act of 1836, you may every day give thirty days' notice, and call in the amounts allowed under the act, upon giving such notices. And if this be to deposite merely with the States, the objection to depositing the fourth instalment, urged by the gentleman from South Carolina, [Mr. Pickens,] that if the fourth instalment should not be postponed, the burdens of tax-paying people must be increased, vanishes. If a deposite merely, the money still remains in the Treasury, and there will be no necessity for raising revenue or increasing taxes.

But, if we will not postpone the fourth instalment, we are asked how we will relieve the Treasury, and furnish it with funds? We reply, suspend your enormous appropriations; stop your extravagant expenditures. We are answered that contracts have already been made for most of the appropriations. Sir, I do not believe the fact asserted. The Secretary has been called on for a report of amounts contracted for; he has not yet furnished the House with the information. Have the Departments all been striving to make contracts as fast as possible, and to an extent and amount unheard of, in order to make out a deficiency in the Treasury? Sir, I believe they have; and this of itself is a serious instance of mismanagement. Let the information come from the Secretary, and you will find millions uncontracted for. But, sir, before the information comes, we will have acted on this bill. You rush your bills through the committees, and in the House you will not wait a moment to obtain the light necessary for us to vote understandingly. I now see my friend over the way [Mr. Cushman] ready to move the previous question; when I am done, he will pop up like the striker in a piano forte.

[Mr. Cushman here interposed.]

Mr. W. Sir, I did not know the gentleman had resigned his office. I mean to complain that just as we get a bill through, generally, the proper information comes in and is printed; and we are left afterwards to wonder how so many mistakes and so much mischief could have happened! This information now wanting is most important. Who can answer how much of your enormous expenditures are contracted for?

Sir, my friend from Tennessee has been asked why he does not bring in a bill to repeal appropriations. We answer that there is no necessity for such a bill. Sir, if you withhold means for all this extravagance, some of the appropriations must be expended by the Executive. The Secretary himself tells us that he has taken the responsibility of suspending fifteen millions. Why cannot he suspend more? Does the gentleman from South Carolina [Mr. Pickens] desire the responsibility to be taken off the shoulders of the Executive, and does he wish to see a scramble in this House between the different delegations who have favorite objects of expenditures, as to which shall be suspended? Does he desire to set us by the ears, to determine whether the reduction shall be made on harbors of New York or Ohio, or whether it shall be made on such objects as the exploring expedition? By-the-by, I would ask the gentleman from Ohio, [Mr. Hamer,] what has become of that beautiful project? I would inquire of that good old bachelor, the Secretary of the Navy, who studies botany, I am told, how many vessels Captain Jones has at Norfolk; how long have they been there; in what state of preparation are they for sailing to the South pole; how much it will take yet to fit them for sea? Some half of a million perhaps has been expended, and Captain Jones has not been enabled by the Department, I believe, to sail further than from the Norfolk navy yard to Hampton roads*

* Captain Jones has since told me he has never got below Craney Island.—*Note by Mr. W.*

and back. I wonder if he met any of the South Sea Islanders! But the gentleman from North Carolina [Mr. McKAY] tells us that all the ordinary appropriations are as small as those under the condemned Administration of the ostracised gentleman from Massachusetts, [Mr. ADAMS.] He says the enormous appropriations are all "extraordinary!" And, sir, verily they are. It is of their being extraordinary that we complain. Sir, the gentleman shall not escape in that way. Are extraordinary appropriations to be tolerated simply because they are extraordinary? I should think, sir, that would be the best reason for suspending them. And, in these very extraordinary times, I should think Mr. Secretary would be very justifiable in suspending some of them. He should know the most proper objects of expenditure, and he should know best where the reduction should be made. I will ensure it, sir, that he finds out very certainly, if left to himself, how to get along without this postponement of nine millions to the States, and without giving him, in addition, ten millions of Treasury notes.

But the gentleman from South Carolina has rather turned upon his old party associates in the opposition, and complains, if a bill to suspend appropriations was brought in, the national republicans would vote against it, and go, as they have ever gone, for the utmost extravagance. I am sorry, sir, the opposition, just at this crisis, has been divided; a part of us, it seems, has gone over to the enemy, or the enemy, as the phrase is, has come over to them. Sir, I know that I was side by side with the gentleman last spring, and both side by side with national republicans, fighting, manfully, shoulder to shoulder, to reform this Government. I expected to find that gentleman with us again. Is there a fear that the national republican camp is becoming too strong, or, rather, that the opposition is becoming too strong too fast? That our power is not tending in the right direction? I hope not, sir; I hope not. I claim to be of the State rights party myself, and I am far from being ashamed to unite with nationals, or any party of men who are at heart patriots, to pull down a rotten dynasty which has disgraced the Government and ruined the people, and which, as a party, transcends infinitely, in principles and in practice, any latitudinarian party which ever existed in this country. True, the nationals, when in power, did advocate and adopt systems of tariff and internal improvement; but does the gentleman from South Carolina [Mr. PICKENS] find his company improved? Are not his new friends infinitely worse than his old ones? Yes, sir, if the nationals contend for strong powers in a strong Federal Government, they place those powers where they belong if they exist—they balance them and check them—they give them to the legislative department—to kings, lords, and commons. But your patent Jackson-Van-Buren party goes for the same powers, and even for stronger, in "the Government," and "the Government" is the king alone with them! All power they give to the Executive, and are now bent on transferring to the President, not only the custody and control of the public money, but the regulation of the value of money, and of the entire currency! Such is the difference between the gentleman's new friends and his old ones. Will his new friends not go for extravagant appropriations also? Does the gentleman not remember the harbor bill case, when the Van Buren party showed that its principles against internal improvements are exactly in proportion to its interests? [Here Mr. WISE related the case of striking out the 30,000 dollar item from the harbor bill, &c.] Sir, the gentleman's new friends are worse in every point of view than his old.

[Mr. PICKENS interposed. He had not taken company with any but the State rights party of South Carolina. The administration had come to him.]

Mr. WISE. I suppose, then, sir, the opposition has left the gentleman from South Carolina, for certainly he was with us. My colleague from Virginia [Mr. GARLAND] is in a somewhat similar, though opposite predicament. The administration has left him. It is the same thing, sir, as if he had left the administration. They will tell him, that a man abandoned is an abandoned man! Sir, if the gentleman does not follow the party round every turn, however short the angle, they will kill him off—shoot him as a deserter, just as soon as if he refused to follow them in a straight line.

But, sir, to my last objection to this bill. If you demonstrate that Government cannot get along without postponing this fourth instalment, I will not vote for the bill. Why? Because it is a part of a patching system, which violates all scripture. You are adding new cloth to an old garment, and making the rent worse. I am not for patching up the tattered garment of your Treasury. I want a new garment entire. The Government is able, I contend, to hide with a new suit its present nakedness. I desire to take up some measure for permanent, radical relief. I know not what is to be the effect of these little detached bills. They all through seem to be parts of one great whole, which I dread.

I am afraid, sir, at every step, that I am voting for a mammoth Treasury bank. I will support no bill for the relief of the Treasury until I know what is the general system of finance to be proposed. I do not believe that any such general system will be proposed in good faith. I believe you have called us to pass these bills to add to your power of mischief—to appropriate millions more to that disgraceful Florida war; and then you intend to prorogue Parliament—to send us home. No, sir; I shall wait until you propose your sub-Treasury scheme. I desire to join issue with the first message of the successor, as I did with the last message of the predecessor. I desire to discuss whether this Government shall draw its life-blood from the people, and then if the people are to be told that they have no right to demand of this Government relief! What relief? A grant of money? No! They deign not to come to you as beggars. They demand of you the discharge of duties, and the faithful exercise of trusts. They demand that you shall so exercise your legitimate powers, and discharge your Government duties, in collecting taxes, raising revenue, in paying your debts, in performing all your functions, that you shall not ruin and oppress them; that you shall, in one word, so regulate finance as not to destroy commerce! These issues and more I desire to discuss on the sub-Treasury bill; but it will never come up. Some gentlemen will find themselves deceived; they should have taken bond and security that the administration meant to carry out its policy recommended before they committed themselves fully to it. I promise my friend [Mr. PICKENS] that I will unite with him to have that scheme discussed and acted on, but I warn him that he is to be left in the lurch.

Sir, gentlemen still harp upon the issue of bank or no bank. This only convinces me of the truth of my apprehensions, from the fact which I see daily before my eyes. Why does the administration still, Falstaff like, pierce the thrice-smitten corpse of the monster, which now, like Lazarus, stinketh in the sepulchre? Why press this issue on Congress? Sir, a friend wrote to me the other day, from Baltimore, inquiring, what would be done? I replied: Nothing; because at this time the administration has not the force to be willing, and not the willingness to be forced. I meant—to charter a national bank! The friends of that measure--I mean those who look to it in the end—will not now stand up to be knocked down; and why does the administration insist on raising us up to prostrate us? Sir, is it not monstrous that, in times like these, when we are convoked by the President himself to heal national calamities and diseases, when the Government, we are told, is bankrupt, and the people are certainly suffering, the ad-

ministration itself should be proposing negative propositions? Instead of urging a bill or resolution which will provide relief, that they should be pressing upon the time and attention of this short, called session a resolution simply to condemn a measure which is not proposed as one which will not give relief? Was ever such a proposition before heard of? Is not this mockery—mockery—cruel mockery of the public distress? And this too, by the only true friends, the only true lovers of the people! By a party to which the people have been so kind, indulgent, and confiding, to a fault! Great God, sir, I am sick—I go to a physician—I cry for relief from sickening pain—I ask, what will cure me? He folds his arms, and with sang froid, most murderously replies, "Rhubarb will do you no good; calomel is inexpedient!" He gives no cordial--applies no balm that will cure--but names numerous useless remedies that will not cure. Why do gentlemen not go through the whole catalogue of useless and inexpedient remedies, of negative propositions? Is the Bank of the United States the only inexpedient remedy? If not, why name it alone? By naming all inexpedient means we may arrive at what means are expedient. But, sir, we are not thus to be trifled with and taunted by paltry politicians. We cry for relief!--relief!--a remedy!—speedy remedy! the patient is now suffering, and requires immediate aid! Sir, to turn from grave to comic--the gentleman from New York reminds me of the wood-cutter in the "hare story." My friend from Tennessee [Mr. BELL] who has a wondrous penchant for anecdotes, thinks it the best story he ever heard: A sportsman was pursuing his game, a rabbit; he came up with a wood-cutter; "Did you see a rabbit run this way?" "Ha!" "A rabbit?" "Was it yellow?" "Yes." "Had it large eyes?" "Yes, did you see it?" "Long ears?" "Oh, yes! did you see it?" "Had it a white tail?" "Yes! did you see it?" "Did it jump when it run?" "Yes." "Had it a white tail?" "Yes! do tell me, did you see it? "No--a--I never seed it!" So, sir, we have been chasing a remedy, like the sportsmen the rabbit, and, coming up with the chairman of the Committee of Ways and Means, we ask him if he has seen it. After describing the very thing wanted himself--he says, "No I never seed it!" Yes, sir, he and his party have seen it; they know very well what it is like; it has all the ear-marks of the Bank of the United States; and gladly, gladly would they take that remedy, and acknowledge it as their own, if they dared. By this negative proposition they have put out "a feeler," to ascertain whether they dare. Is such a party to be trusted by the people!

Sir, we were told by my colleague from Virginia, [Mr. JONES,] that the legislation of Congress has worked injuriously to the South; he cited the tariff and the bank. Sir, I deny that the bank ever injured the South. At the proper time I am ready to argue that proposition with my colleague. I admit that the North has derived the most benefit, but I deny that the South has sustained the least injury from the credit system. They have, by all means, internal improvements and every encouragement of trade, enlarged their capacitities for receiving the benefits of the credit system. We have been waiting for the waters of the stream to pass on before we cross over. We have been backward and tardy in improvements; they have built cities and brought to them Western worlds for a back country. We have always regarded the agricultural as inimical to the commercial and trading interests: the North has always treated them as mutually dependent and identical. We have practised upon the theory that we must have capital before we have trade; they have reversed the maxim, and said they must trade before they have capital and internal improvements before they can have either! The credit system makes them rich, it is true, without making us poor. And let me ask my colleague, if legislation by Congress has injured the South, what has Executive legislation done for the South? Admitting that the North is most benefited by the credit system, yet what of the converse? What has the destruction of the credit system done for the South? Upon what section has the loss fallen? The Executive war upon the credit system has cost the South this year forty millions on cotton! The curse has fallen on us, as it ever will when credit is impaired. The Northern manufacturer may stop his loom, the Northern merchant cease to import, but the cotton is growing, or in bale, and is sure to be under the dead-fall of the money market. The experiment has cost the South more than ever the justly odious tariff did. Yet, sir, my colleague still urges another experiment. He says our Government is but an experiment, and one yet destined to make despots tremble on their thrones. Sir, let me warn my colleague if the party goes on experimenting, experimenting as they have been experimenting for the last four years, they will place a money despot on our Executive throne, whose political and purse power will make the liberties of this country tremble and totter from their base! He may go on, and go on accumulating these immense revenue powers in the hands of a President; he may denounce a United States bank as inimical to civil liberty, and then think to secure that very liberty by a Treasury Bank; but if the folly of his course is not eventually demonstrated in tears and in blood, I will confess that my present alarms and dreadful apprehensions of a moneyed despotism have been causeless and senseless. Sir, these experiments will seat a despot firm fixed on his throne; if you part with your money power you can never reclaim it. You will arm power with the power of retaining power. I trust in God gentlemen do not mean to carry out their schemes! The President very meekly disclaims, voluntarily disclaims his Cæsar-like aversion to putting on the imperial purple and the crown—to assuming this awful money power; and I do fervently pray that the people will still be more disinclined to yield, than he is to take upon himself, this tremendous union of the money with the political power of the Government!

NOTE.—The following is the letter furnished by CAMBRELENG.

"NEW YORK, MAY 10, 1837.

"MY DEAR SIR: I have just learned that some of our friends (I heard the Bank Commissioners named) were to go to Albany this afternoon to get the Legislature to suspend or repeal that part of our bank law relating to the suspension of specie payments. Such a measure, it seems to me, would be bad in every point of view. The bank party have inflicted upon themselves as a party a fatal blow, and have established a commercial precedent, which, if sanctioned in any manner by the Legislature, will lead to a suspension of specie payments at the *commencement* of every pressure, which would be very different in its effects from that which has now occurred, after credit, prices, banking, and every kind of trade are reduced so low that our city bank paper and specie are nearly on a par for all the purposes of trade.

"Very truly, yours,

"C. C. CAMBRELENG."

"A. C. FLAGG, Esq.

Mr. HAMER next rose, and addressed the Chair as follows:

Mr. Speaker: I have anxiously desired to avoid speaking upon this subject. The extraordinary circumstances under which we have been assembled, seem, to my mind, to require action, rather than debate. Whatever we do, to be effectual, should be done promptly, without unnecessary delay. I have been disinclined, therefore, to protract this discussion. Besides, for some days past, my health has been such as to disqualify me, in a good degree, from engaging in the contest that has been progressing in the House. But the course which the debate has taken, as well as my own position, being a member of the Committee of Ways and Means, seems to require that I should express my opinions upon the important topics introduced by gentlemen, and upon the principal measures which have been presented by our committee to the consideration of the House.

It is true, as has been remarked by several gentlemen, that the contrast which the present condition of the country exhibits to that which we occupied but a few months since, is of an extraordinary character. It is but a short time since our Treasury was full and overflowing. Complaints were heard from all quarters of the country, that we had so much money in the Treasury of the Union that no one knew what to do with it. The baneful influence of such vast sums of money upon our legislation, leading to profusion and extravagance in the public expenditures, was deprecated by all. Schemes without number were devised to get rid of it, in some manner that would benefit the country. Now, sir, on being assembled here by proclamation of the Chief Magistrate, we are told that not only are the people of the country in a state of great pecuniary embarrassment, but that the Treasury of the United States is in a state of bankruptcy!

Instead of proceeding at once to provide remedies for this remarkable state of things, if remedies can be found within the range of the constitutional powers conferred upon Congress, it would seem, from the remarks that have fallen from gentlemen, that our great object is to ascertain who created all this distress and embarrassment. The remedy is forgotten, whilst we occupy ourselves in ascertaining who is the culprit; to what origin these difficulties are to be traced; or, in other words, which party is to be held responsible for this catastrophe? Instead of attempting to relieve the Government and the people, we stop to talk about "lions" and "tigers;" about "foxes" and "hares;" of "Executive patronage" and "legislative servility;" about a "star in the East;" the "dark clouds" that overshadow the fortunes of the administration; and the "sunshine" that is breaking in upon the prospects of the opposition. We stop to talk of Presidential elections that have been, and that are to be; and of candidates that are now, or may hereafter make their appearance in the field. Is this a course dictated by wisdom? Is it required by patriotism? It may seem so to some gentlemen; but, in my judgment, it is wholly incompatible with the duties which devolve upon a patriotic and enlightened statesman.

In private life we have many rules and maxims that are applicable to public affairs. When I see my friend in distress, it is not the part of friendship to stop and inquire minutely into all the circumstances, to see whether his difficulties may not have been occasioned, in some degree, by his own imprudence or want of foresight. The first thing a true friend does is to reach out his hand. He first relieves the other from embarrassments and dangers, and inquires into the causes afterwards. The same rule should be applied to our country. If she is really distressed, every true-hearted man will come to her relief. The particular causes which have contributed to produce her troubles are immaterial. When she raises her voice and demands assistance, that son who disobeys the call is unworthy of his country.

But before we advance a single step towards amelioration, the opposition in this House seem determined to convince the country that the policy of the last and present administrations has produced the existing evils of which we have now to complain. This is to be done by furious declamation. Sir, it is very easy to declaim. The cant phrases of "Goths," "Vandals," Cormorants," "Destructives," "Locofocos," "third-rate men in power," "slaves to Executive dictation," can be pronounced without intellect or patriotism. A parrot could be taught to repeat them as well as a demagogue. Crimination and recrimination prove nothing; but they usually indicate either a bad cause, or weakness and malice in those who are its advocates. And it may do very well for those who have not the capacity to discover the real causes of our present difficulties, or the honesty to avow them, to attribute every misfortune which has befallen the country to the policy of the democratic party.

We have been repeatedly told during this debate, that all our embarrassments might be traced to the veto upon the bill rechartering the United States Bank; to the removal of the public deposites from its vaults, and to the specie circular. It is a sound rule in philosophy, that in attempting to account for a known effect, we must always select a cause that is adequate to produce it. Now, if the opposition newspapers can be believed; and I admit that they are generally very bad authority, but in this instance they are corroborated by the papers on our side—if they speak the truth, then these embarrassments in the commercial community are not confined to the United States. They have overrun England, France, Germany, Switzerland, Turkey, the East Indies, and the empire of China. The whole civilized world has been more or less affected by them. Can any man in his senses believe that the removal of the deposites from the United States Bank has convulsed three quarters of the globe? Is it possible that the mere transfer of a few millions of public money from one bank to another, or to several others, could have produced an entire revolution in the monetary affairs of the world? As well might it be pretended that a pebble thrown into the Potomac had produced a mighty tempest in the Atlantic, which had overwhelmed whole fleets in its progress, and sent thousands of human beings to a watery grave. Is it not strange, that gentlemen belonging to a party who claim to possess almost all the wisdom in the community, should have selected so trifling an event, and held it up to the people as the cause of all the confusion, embarrassment, and distress of the present time?

Sir, the real causes are far different from those to which I have referred. They are to be found in the over-trading, speculations and extravagance of the times. The causes have not been limited to our country alone. They have pervaded the whole commercial world. It is one of those extraordinary conjunctures in human affairs, produced by a combination of circumstances, and traceable, remotely, to principles inherent in the constitution of man. At particular periods a mania seems to prevail upon some one or upon similar subjects, that sweeps over the whole face of the earth. Human affairs ebb and flow like the tides of the ocean. Hence history is divided into ages and epochs, and we have the ages of conquest and of inventions; the ages of discovery and adventure, and of the revival of letters. We have periods of almost universal war and of almost universal peace. The remote cause may be entirely beyond our reach, but the fact is indisputable.

The present ebb in commercial affairs has been preceded by a remarkable flow of prosperity. An increase of riches only stimulated to greater risks, and whetted the appetite for more exorbitant profits. A restless anxiety and burning desire to amass large fortunes, in a short time and by a few operations, plunged every one into wild and extravagant speculations; and the wave rolled on, accumulating and increasing as it progressed, until in a moment of fancied security, it was suddenly broken upon a rock, and its scattered particles fell back into the bosom of the great deep from whence it had risen. The same scenes are witnessed at least once in every generation; sometimes oftener. But in such matters, the succeeding generation learns no wisdom from the experience of the past. They always fancy they see a distinction between the cases; they go on, engage in the same schemes of speculation, and in a short time find themselves plunged in the same difficulties and misfortunes.

So far as this country is concerned, we know there were some local causes which have contributed to bring upon us our present disasters. When the bank charter had been vetoed, and the deposites removed; when all saw that the bank must die, there was a general impression abroad in the community, that other bank capital and circulation ought to be provided by the State Governments, to supply the

vaccuum which would be occasioned by the withdrawal of the United States Bank from business. Accordingly, many of the existing banks had their capitals increased; and a great number of new banks were chartered by the State Legislatures. In the years 1834 and 1835 the bank capital was increased from about two hundred millions to two hundred and fifty-one millions of dollars; the amount of bank paper in circulation was increased from ninety-five millions to one hundred and forty millions of dollars; and the loans and discounts during the same period were increased from three hundred and twenty-four millions to four hundred and fifty-seven millions of dollars. This extraordinary increase of capital, circulation, and loans, within so short a period, changed the face of the whole country. The credit system was expanded to such a degree as to affect every man's business and estate. The value of labor and property was raised in proportion to the increase of the circulating medium, and to the facility with which money was obtained. The country wore an appearance of prosperity, such as the nation had seldom, if ever, witnessed at any former period. Most of this prosperity was real, but there was much of it delusive. If men could have been satisfied with a reasonable distension of the credit system, they would have done very well. An impulse was given to business and enterprise that exerted a most salutary influence upon the country; but they continued to blow until, at last, the bubble burst, and we have seen the consequences.

Now, sir, who produced this state of things? Who put this ball in motion? Not the President of the United States. He had no control over it whatever. Not the then Vice President, the present Chief Magistrate of the Union. He had no connexion with the operations which brought into existence this prodigious amount of bank capital and circulation. Not their friends in either branch of Congress. They had neither lot nor part in the matter. None but the State Governments are responsible for it. They legislated these banks into existence and gave them their powers. They authorized these extravagant issues and loans, by granting charters to so many corporations, whose interest it is to fill the community with their promissory notes, and cause them to circulate as money. The Legislatures and people of the several States are alone responsible for this redundant circulation, this bloated state of the currency; and whenever they are satisfied they have erred, we shall see them retracing their steps; but we have neither the power to control, nor the right to censure or rebuke them for what they have done.

But which party is responsible in the State Governments for these acts of incorporation? Look at any or all of the States where this increase of capital and circulation has taken place. Does it exist only in those where the democratic party had the majority? Who increased the bank capital in Kentucky, Massachusetts, Tennessee, New York, South Carolina, and Ohio? In the latter State, owing to the controversies upon this question of party responsibility, the journals of the Legislature have been examined; and, from some recent publications, it appears that a majority of the opposition, aided by a small minorty of the democratic members, carried almost all the bank bills that have been passed there during the last three or four years. It is natural that it should be so. The opposition in this country make the banks, and control them after they are made. A large majority of the banks belong to them. They are the stockholders, presidents, and directors; and whatever influence they wield, either political or pecuniary, is against the administration. At the very moment when President Jackson was charged with wielding the sword and the purse of the nation, (although he could not use a dollar of public money, for any purpose, till authorized to do so by a law of Congress,) the banks holding the public funds were, with a few exceptions, entirely under the influence of his political opponents.

The object of all banks is to make money. They loaned to every man who could get an endorser. The merchants and speculators extended their business, and thousands turned merchants and speculators who had formerly been engaged in other pursuits. Immense fortunes were realized by many. The Government lands were purchased at one dollar and twenty-five cents an acre, and were transferred from hand to hand at five, ten, fifty, a hundred, and sometimes a thousand dollars an acre. The country was filled with foreign merchandise. Every city, town, village, and hamlet was crowded with stores, and we could not pass a point where two roads crossed without seeing the productions of European workshops and manufactories displayed in a "new store." Our large importing merchants accumulated wealth with a rapidity almost unknown in commercial history, and if they did not become princes, they at least dwelt in palaces, and rolled in luxury.

In the meantime, the public money in the vaults of the banks was loaned to individuals, to aid in these large operations. It was returned and loaned again; each successive payment for public lands, or duties on goods, being entered to the credit of the Government. The amounts paid in far exceeded the wants of the Treasury, and thus a surplus accumulated, which was really large, but apparently much larger than it actually was. True, the amount purported to be in the banks to the credit of the Department; but it was not there. And we then heard a universal cry from the opposition throughout the country, that this Government had thirty or forty millions of the public money locked up in the banks, and would not allow it to circulate; and that was then said to be the cause why money was scarce, and the times hard! There was not one word of truth in this complaint. Almost every dollar of the public money was then in circulation. The banks were using it for their own profit, and for the accommodation of the public, holding themselves bound to pay it whenever called on by the United States.

Under these circumstances the deposite law of June, 1836, was passed. The objects of that law were, to remove the surplus from the banks, and place it in deposite with the States, where it would be safer than in the banks, and where the States could have an opportunity of using it, until the Federal Government should stand in need of it for federal purposes. Safety for the fund itself, and a transfer of profits from the banks to the States, were the only avowed objects at that time, in the passage of the law. I dare say it was anticipated by some, that the money would never be called for—that it would, in effect, be a distribution; but every man who was then here, knows that if it had been put upon that ground, the law never could have been passed. A large majority of this House would have voted it down. It was then treated as a deposite law exclusively; and we were told that the States were highminded and patriotic; that whenever the necessities of the General Government required this money, it would be promptly and cheerfully refunded. Now, sir, we hear a different doctrine proclaimed. Now gentlemen talk of a contract, of a vested right to this money on the part of the States; of the pledge given by this Government, which must be redeemed; and a willingness is openly avowed by some to borrow money to deposite with the States! In what part of the federal constitution is this power to be found? Nowhere. But if we had the power, ought we to exercise it? Shall we borrow money, create a national debt to be discharged by taxes, levied directly or indirectly upon the people, to enable the States to carry on works of internal improvement; to maintain schools; or to open loan offices, and lend out public funds to their citizens? Sir, we understand all this. It is the doctrine against which we have been warring for years. The old banner of "national republicanism" is again unfurled. It is the flag of the American system. We have the doctrine of a high protecting tariff, and internal improve-

ments, again presented in a new form. What cannot be done directly is to be done indirectly. The object of the celebrated "land bill" is to be accomplished in this way. The money is to be devided among the States, and appropriated to schools, internal improvements, &c.; and, instead of being repaid by the States, is to be replaced by new taxes upon the people! The position assumed cannot be misunderstood; and that being the issue, I trust every man will know where to place himself. Each man will rally to his appropriate standard. Let the planting and agricultural States look to it. For one, sir, I know my course, and shall not hesitate to take it. I go for a cheap and simple Government; one that will protect men in the enjoyment of their rights; leaving each individual free to pursue his own occupation in his own way; and shall oppose all high tariffs, systems of distribution, unjust and unequal burdens, and schemes of national aggrandizement, which are to jeopardise the public happiness and public liberty.

Under the provisions of this law, the Secretary of the Treasury was compelled to remove a portion of the public money to other banks. Some ten or fifteen millions were thus transferred in a few months. This necessarily produced embarrassment. The money was loaned out. It had to be collected, and paid over to the new depositories; and this first movement under the law involved the debtors to the banks, and their debtors in difficulties, and produced a limited pressure at the points where the collections were made. But it could not be avoided. The law required the Secretary, whenever a bank had more than a given amount of public money in its vaults, (three-fourths of the amount of its capital actually paid in,) to remove the overplus to some other bank. He was obliged to obey the law.

Again: the next step under this law was to collect from the banks nearly forty millions of dollars in the short period of nine months, (from January to October, 1837,) and transfer the amount to the several States. Much of this large sum had to be taken from the great Atlantic cities, and carried to the interior. Six or eight millions were removed from New York last spring, in the course of a few weeks. So large a sum drawn from the active circulating capital of a large city, and removed from the channels of trade, to points remote from commercial transactions, to be expended by the States, or distributed in loans among their people, must necessarily cause a heavy pressure among merchants and men of business, who had invested their funds in commerce. It has been intimated here, that the importation of thirty or forty millions of specie from Europe into this country, within the last two or three years, is the probable cause of all the embarrassments now pervading the world. If thirty millions, in two years withdrawn from the commerce of all Europe, could produce such results, what might we not expect to follow the withdrawal of six or seven millions from a single city, in a few weeks!

This, alone, should have produced serious losses, sacrifices, and distress; but who is to blame for it? Not the administration; not the Secretary; but those who made the law. Without pretending to more sagacity than others, I thought at the time of its passage, that I foresaw many evils to result from it, and this one among the rest. I voted against it. My skirts are therefore clear. But it received almost the unanimous vote of the opposition in both branches of Congress. It was hailed by them and their presses as a great whig triumph over the Executive, who was believed to be opposed to it. It was characterized as a measure that had been too strong for even General Jackson to resist. Now, sir, those who were its friends ought to be the last men to complain of its practical effects upon the commerce and business of the country.

But, to complete the disasters of the merchants, just at the moment when these large demands were made upon them by the banks, their notes in Europe became due. They had made immense importations from abroad on credit; the country was overstocked with goods. They had sold much on credit; and the balance remained unsold, in the store-houses. It was impossible to raise the money on the goods to pay their original cost. The banks could not relieve them, but were actually demanding money to enable them to comply with the requisitions of the Government; and between these two fires the merchants fell. What was true at New York, was true, to some extent, at every other point along the seaboard. At New Orleans, where commercial houses failed for ten and fifteen millions of dollars, they did so because they had accepted the drafts of planters upon their cotton crops, for two or three years in advance. These acceptances were used by those who held them to purchase land and other property, and were really the debts of the drawers; but they helped to swell the amount for which the houses failed, who had made themselves responsible for the payment.

Such a condition of things could not last. It must either become better or worse. The pressure continued, the panic commenced, and the banks suspended specie payment—beginning at New York! The others followed the example, as fast as the mail conveyed intelligence of this movement at the great emporium.

I cannot pass this point without some observations upon the circumstances attending this extraordinary suspension. What were the reasons assigned for it? The banks in the East complained that, under the specie circular, the hard money had all gone to the West; in other words, they suspended because they had not specie to redeem their notes. On the other hand, the banks suspended in the West because they feared their paper would be bought up, brought in upon them, their vaults drained, and the specie taken to the seaboard for exportation to Europe. In plain English, the Eastern banks suspended because they had not specie, and the Western banks because they had!

As it regards the latter, there was some force in the reason assigned by them; they regarded it as a defensive measure. It was perhaps better for them and for the country, that they should suspend with money in their vaults, than without it. If they had allowed the specie to be taken from them, and had then suspended, their paper would have sunk to twenty-five and fifty per cent. below par; whereas it now answers, as a currency, for all the ordinary purposes of life. The same remark, to a considerable extent, is true in regard to the Eastern banks, so far as the value and circulation of their paper is concerned. But how did the specie circular depress the Eastern banks? How has it embarrassed any bank? It either had an effect, or it had not. It was intended to curtail their operations and limit the loans for investment in public lands; to prevent the exchange of the public domain for bank paper. By some it is insisted that it failed to produce this effect; that purchasers procured the paper; drew out the specie from a Western bank; purchased the land; and the receiver returned the specie to the bank again in a few days. That in this way, one small bag of gold or silver could be made to purchase all the lands in the West. If this were the operation, then it did not produce a drain of specie from the East, and had no effect whatever upon the banks. But others say that there was a stream flowing westward continually; that the paper of the Eastern banks was collected and brought in upon them from day to day, and specie obtained to purchase public lands; and that, in this way, the business of the banks was curtailed. Suppose it to be so. Then the effect of the "order" was to restrain the issues of the banks. Very well: the banks have now so much paper in circulation that they cannot redeem it, and are obliged to suspend payment. How much worse would have been their condition, if this "order" had not been issued? Would they not have had a much larger amount in circulation? The answer is obvious. Whilst paper was taken for land, the banks could lend any quantity of that, because they multiplied and manufactured it at

pleasure; but when cash was required, they curtailed their discounts. If this was the operation of the "order," it is a subject of regret that it was not issued a year sooner than it was. The truth is, the administration is in no way, directly or indirectly, censurable for the suspension of specie payments. They have had no agency in it whatever. Their money was left in the banks on deposite, just as individuals deposite theirs, and in the same banks where opposition men were making deposites daily throughout the year. The money was believed to be safe, and will be ultimately paid, every dollar of it. Fifteen millions have already been paid since the suspension. The Government will lose nothing; but if it should, what right has any one in the opposition to complain of the imprudence of the Secretary, when the opposition bankers and merchants kept their money in the same institutions? All that has been done in removing these deposites from place to place, has been done, as I before said, in obedience to a law which was voted for by the opposition almost to a man. The administration has, therefore, no connexion with the suspension, and those who would throw this responsibility upon it, are doing it a gross and manifest injustice.

The distress, of which we hear so much, is greatly exaggerated. It exists only among particular classes of the community. It has not reached the great mass of the people at all. Among all the strange things published during the summer, I was amused with some of the accounts of distress. God forbid that I should ever smile at the actual distress of any human being. I remember, among other evidences of pressure, it was stated in an Eastern paper that two hundred immigrants, who came to this country from England, were obliged to return, because they could not find employment in the United States! Now, at that very moment, in the district which I have the honor to represent, as well as in other parts of the Western country, we were paying laborers a dollar and a dollar and a quarter a day in cash, to aid us in taking care of our grain and hay; and the crops were suffering for want of hands to secure them! If any such persons did return to Europe, they must have done so in consequence of the information they received from some panic-maker whom they met upon the wharf where they landed. Why did they not go into the interior, and they would have found a welcome reception from the laborious and thriving population, who live by the proceeds of their own honest industry, without relying upon either banks or speculations for assistance.

Who suffers by the failure of the banks to pay specie? Not the banks. They are collecting their debts, getting in their paper, and strengthening themselves without paying out any money. They would be very willing to make the suspension perpetual, if the people would circulate their promises, and recognise them as money. Banking would then be a profitable business; it could be carried on without any capital at all!

The merchants are not injured by it; at least not seriously. As a body, they owe the banks large sums; and in selling goods and collecting their debts, the paper answers their purposes as well as specie, because it pays their debts to the banks, or to each other, and then to the bank. Besides, the merchants and the bankers are the same persons, to a very great extent. Almost all the banks are in the hands of merchants, who are officers, directors, and stockholders.

The manufacturers are embarrassed in some places, it is true. They have been forced to discharge a portion of their "operatives." But these people, who are now out of employment, are but suffering a calamity which is incident to the business in which they have been engaged. It must always be so in manufacturing districts. How often do these things occur in England? They are still more liable to happen where we attempt to give manufactories an artificial impulse by law, and push them in advance of the wants of the country, and the interests of the agricultural and commercial classes. Let these people come to the West; and, in the fertile valley of the Mississippi, we will furnish them all with employment, and pay them higher wages than they received under their late engagements.

Yet, although a large majority of the people have not suffered any great losses from the suspension of specie payments, it is very certain that the General Government has been impeded in its operations by this event. It is without money to defray its current expenditures and to discharge its debts. One cannot but admire the liberality which has been shown by the opposition towards the administration in this critical posture of its affairs. The Government is daily abused for not paying its debts in specie, and is denounced as a bankrupt!

What are the facts? There are some twelve millions of public money in the State banks, deposited for safe keeping, which those banks are bound by contract to pay over to the Government on demand. In addition to this, there are due from the importing merchants about four or five millions for duties on imported goods, which ought to have been paid into the Treasury by the 1st day of October. The banks, in the first place, shut their doors, and refused to pay a dollar in specie when demanded for the use of the Government, and to enable it to pay its debts. In the second place, the merchants petition for a longer time to pay what they owe, alleging that they cannot procure money even to pay their postage, much less the debts they owe Government; though it seems they, some how or other, pick up a good deal for exportation! In this state of things, the resources of the Government thus cut off, the professed friends of the banks and the merchants turn round and abuse the same Government because it does not pay its debts, and pay them in specie! What would be thought of such a transaction between two individuals? One deposites ten thousand dollars with another for safe keeping. In a short time, he calls for a thousand dollars, to pay off the last and only debt he owes in the world. The depository locks his drawer, and refuses to let him have a cent; and, to add insult to injury, he sneeringly calls him a bankrupt, and insists upon his paying his debts! A scoundrel who would conduct himself in this manner would be driven from society by the common sentiment of all honest men.

These are the circumstances under which we have been called together; and the question is, what are we to do? Have we the constitutional power to do any thing for the country? If so, what is it? And shall we do it?

Here I cannot but advert to the extraordinary course pursued by the leading opposition newspapers of the country. After "making the welkin ring" with their cries of public distress for some months past; after demanding, in the most peremptory manner, that the Executive should convene Congress, to give relief to a suffering country, now, when we are convened, they advise their political friends in the two Houses to propose nothing; to offer nothing; to suggest no plan for relief; but to leave the matter entirely with the administration and its friends! Their language is, "let the fourth-rate men, who have involved us in these troubles devise the mode of extricating us!" The country, according to them, is in deep and unparalleled distress; it is groaning under affliction, and upon the verge of despair; yet in this condition, they refuse to lift a finger to save it! This comes too from the "Simon Pures," the "no party" men! This proposition is made by those, who are always for their country, and never for party. These are the men who are constantly whining about corrupt presses, and corrupt politicians. They not only refuse to offer any plan for relief; but have, so far, shown a disposition to oppose every thing offered by the

administration and its friends. This, sir, I suppose is modern patriotism!

The same sentiments, in part, have been repeated in this House. We have been distinctly told that the opposition had no plan to offer. Gentlemen seem to have taken their cue from the organs of their party. Thus far, the principle has been acted upon. All our measures are opposed with violence, and nothing is proposed as a substitute. We shall see whether this game will be played out to the end. If so, it makes but little difference what are men's professions. The people will judge by their acts. If they continue to act upon this principle throughout what they denominate the present great and perilous crisis of the country, they will furnish the most indubitable evidence that their great object is political power, regardless of the means by which it is to be attained. They will prove to all impartial observers that, with loud professions of disinterestedness upon their lips, they are in reality fighting for the "spoils," and that all their measures are so shaped and directed as to turn the dominant party out of power, and elevate themselves to the vacancies thus created. Sir, such a party as this deserves no support from the honest and intelligent people of the United States. Men who, when their country calls for relief, turn a deaf ear to her complaints, and practically "mock at her calamity," are destitute of that patriotism which should distinguish every true hearted American. And if I were disposed to recriminate, to indulge in the use of such epithets as are daily thrown out against the democratic party, I would pronounce such a party to be a mere corps of political mercenaries and miserable demagogues, seeking their own advancement, without reference to the public welfare; in a word, to be the most unprincipled, corrupt, and rotten-hearted faction that has ever appeared in this country. But I will not indulge in such language. It belongs to the opposition vocabulary, and I leave it with them.

What do we propose as measures suited to the present crisis? To understand the policy of the friends of the administration, we must view the individual measures as composing a whole; as separate parts of one scheme.

First. We have a bill on our table, proposing to allow time to the deposite banks to pay up the balance they owe the Government by instalments; so as to relieve them from the necessity of distressing their debtors by rapid collections, involving the sacrifice of individual property.

Secondly. We have a bill to allow longer time to the importing merchants to pay the duties they owe the Government, upon their giving new bonds, with satisfactory security, and paying interest on the amount they owe. This saves them from a heavy pressure; enables them to give time to the merchants of the interior, who owe them; and allow the merchants of the interior to indulge the people who have purchased their goods on credit.

Thirdly A bill to authorize the Secretary of the Treasury to issue Treasury notes, to an amount not exceeding ten millions, to aid the Government in carrying on its operations until those who owe us are able to pay. These notes will be receivable in payment for land and all public dues; will circulate through the community as a substitute for money; and will relieve the necessities of the country, by adding that much to the description of circulating medium which is needed by the merchants and banks to pay the Government what they owe. They complain that specie is not to be had; these notes will answer the same purpose in their dealings with the Government.

Fourthly. As the banks have cut loose from the Government by their own act, we propose to leave them in that condition, and hereafter to take care of our money ourselves without their assistance; and we have a bill for that purpose, familiarly called the sub-Treasury bill.

These are our prominent, leading measures. We say they will afford relief to both Government and people, and that they afford all the relief which our constitutional authority, or the exigencies of the crisis, require at our hands. We relieve the banks and merchants directly, immediately; and indirectly we relieve other classes of the community. The influence of this scheme will reach nearly every man in the country, in one way or another It will especially benefit the planters and farmers, by enabling the banks to furnish facilities to aid in taking the fall crops to market. By aiding the traders, we keep up the prices of the great staples where they are raised: and by giving time to the banks, we enable them to furnish purchasers in the market with means to buy the productions of our soil.

So far as regards the banks and the merchants, I have nothing to say in their justification. They have not done well; but at the same time it is to be remembered that their misfortunes have been in some degree brought upon them by circumstances over which they had no control. We must deal gently with them; especially when their interest is so interwoven with the business and interests of other portions of the people.

In relation to the merchants, I will say that I make no war upon them. There are many of them who are highly valuable citizens, and men whom I esteem. I listened this morning to a splendid eulogy pronounced upon them by a distinguished gentleman from Pennsylvania, [Mr. SERGEANT.] There was much truth in what he said; but I am far from agreeing with him in all the sentiments which he advanced. I know their influence in society, from the great importer, through the wholesale dealer, down to the little country retailer, who talks about banks, currency, and exchange, to his neighbors, and exerts his leger-influence over those who buy of him, at all our important elections. I am aware that they, in effect, regulate our currency now, and have done so in all time past. When a bank note is presented to an individual, the first question he asks, if he does not know it to be good, is, "do they take this in the stores?" If it is taken by the merchants in the little town near him, he receives it; if not, he rejects it.

It may be conceded that punctuality and fidelity are traits in the character of the merchant of all countries. These are the life of trade, without which it could not exist. It is their interest to be faithful and punctual in their engagements. And I have read and seen enough to satisfy me, that, as a class, interest is the ruling principle with them. Many honorable exceptions there undoubtedly are; but such has been their general character, from the days when they bought Joseph and sold him into Egypt, down to the period when they furnished the enemy with provisions, and smuggled goods into the country during the last war.

Look at history. What were the republics of Carthage, of Venice, of Genoa? Governments of merchants. When did they ever observe any rule of conduct but their own interest? What is England but a nation of merchants; and the whole island but a great banking establishment? Where has she ever faltered in the pursuit of an object, if her interest required the pursuit? Nay, sir, in our own country, young as it is, experience has taught us that the merchants could drive us into a war in defence of commerce, of "free trade and sailors' rights," and then throw every impediment in the way of our Government in the successful prosecution of that war; evincing that they were the most mercenary, if not the least patriotic, of our citizens. I know it is an easy matter to deny all this; and so it is to deny the truth of any fact recorded in history, if a gentleman choose to take that responsibility.

However much, therefore, I may respect individuals belonging to this profession, as a class, those who have deluged the country with foreign merchandise; involved us in a foreign debt of more than thirty millions, and produced a necessity for shipping one-half our specie from the

country to pay this debt, deserve no peculiar favor from the Government.

Still we must do right, whether they do or not. We propose to relieve them in the present crisis, by the measure to which I have referred. Are gentlemen not satisfied with this? Do the merchants ask any thing else? What would they have? Shall we pay their debts? Does any man advocate this doctrine? We have no power by the constitution to do so. Besides, it would be gross injustice, if we had the power. Where would we get the money? Out of the Treasury, of course. Shall we take the money raised from one set of our citizens to pay the debts of another set? Who will advocate such a proposition? No one will have the hardihood to do so. And if we do not resort to such a measure, then there is no other relief to be given but that which we now offer.

I know that some gentlemen, during the discussion, talked of the relief given by the Government of France, in the time of the great Mississippi scheme, which embarrassed the whole nation; and others have told us of the measures adopted by the Parliament of England, at the time of the South Sea bubble, which deranged the monetary affairs of an entire kingdom. Are these examples for our imitation? Shall we assume powers, never delegated to us by the constitution, that we may imitate a despotic Government, such as France had at that day; or to follow the footsteps of the British Parliament; a body, who, in the language of English law writers, is claimed to be "omnipotent?" This would be indeed an act of usurpation, for which not only the American people, but "the very stones might cry out against us!"

But some gentlemen have been candid enough to admit, that a national bank is what they want. I commend them for their frankness. That is what the great body of the opposition really want, if they would come out manfully and avow their sentiments. It seems we ought to have a great "regulator of the currency." I had intended to make some observations upon this subject, particularly in reference to the Pennsylvania Bank of the United States, but the honorable gentleman from Pennsylvania, [Mr. Potter,] in a speech to-day, which for ability and force of argument has been seldom equalled, and never surpassed, in this House, portrayed this subject so fully, that I will not dwell upon it. He has placed the whole matter in a much clearer light than I could hope to do.

It is important to remark, however, that the old Bank of the United States never did regulate the currency; it could not prevent over-issues on the part of other banks; and it constantly indulged in expansions and contractions of its own, which left the prices of property, in all parts of the country, uncertain and unstable. However currently its own paper might pass, it was not always convertible into gold and silver, without trouble and expense to the holder, because its bills were not always redeemable at the offices where they were issued, and in the neighborhoods where they circulated. And the value of its paper, its universal credit of which we hear so much, was owing chiefly to the endorsement of the Government, which received it in payment of all public dues. The purchasers of land sought after it to buy the public domain. The importing merchants collected it to pay their duties; and, of course, the wholesale and retail merchants took it, because the importers preferred it. Thus the impress of the Government caused it to pass in all parts of the Union; but that same impress would have caused the paper of any other bank to pass in the same manner.

If the old bank did produce a uniform currency; did act as a regulator restraining the other banks within due bounds, why has not the present Bank of Pennsylvania done the same thing? When the charter had been obtained from the State, and Mr. Biddle had called the stockholders together, to decide whether they would accept the new charter, he informed them that the new one was better for them, and for the public, than the old one; that the connexion between the bank and the Government had never been any advantage to the bank; and that, for all the purposes of currency, commerce, &c. the present bank would be better and stronger than the former. Now, was this true? If so, then, according to the arguments of gentlemen, the bank could have prevented all the present difficulties. If it could have prevented them and would not, it is unpatriotic, and ought not to be trusted. If it could not prevent them, then it does not possess the power ascribed to it; and if this bank cannot regulate the others, then the old one could not; for Mr. Biddle declared that this one was more powerful for all good purposes than the former. Who knows better than he the respective powers of the two corporations? And yet we see that this boasted giant was one of the first banks in the country to lay down its arms, to close its doors, and thereby to admit its inability to redeem its paper. For, I care not who says to the contrary, no man will convince me that the bank was able to go on. No, sir: it stopped from sheer necessity. If it had possessed the ability to redeem its paper, who does not see that it would have gone on paying specie after the other banks had stopped, and thus compelled the Secretary of the Treasury, under the deposite law of 1836, to place the public money its vaults—thus achieving a complete victory over the Government and a large majority of the American people, who have rejected it as a fiscal agent. If Mr. Biddle had the means to go on at the time he stopped payment, he committed the greatest financial and political blunder that has occurred during the last twenty years; and his reputation as a financier ought to fall at least fifty per cent. in the estimation of all his political friends.

One word in regard to exchanges, which gentlemen think the Government ought to regulate. What are exchanges? I do not profess to be a financier, but I endeavor to understand these subjects for myself, and to take what I consider a plain, common-sense view of them. Exchanges, then, are the means whereby capital or money is transported from one part of the country to another. I have a thousand or ten thousand dollars at Cincinnati, and I want to use it at Philadelphia or New York. By means of a bill of exchange, or bank notes, I am enabled to transport it free of cost. I take my specie to the bank and deposite it there, and, in lieu of it, they give me a bill of exchange on some bank or individual in Philadelphia, who pays me the money when I get there; or they furnish me United States Bank notes, which I can put in my pocket-book and carry without trouble or expense. This is a convenient operation for me, but the question is this, is the Government bound to furnish this accommodation to individuals?

What is money? Is it any thing but property? It is considered a medium of trade and commerce: so it is; but still it is one of the forms of property. What is the difference between a thousand dollars in money, and a thousand dollars in pork or flour, except that one is more easy of transportation than the other, and that the owner of the pork or flour is obliged to make sale of his property to turn it into cash. So, if the owner of the money wants pork, he is obliged to sell his money for the purpose of obtaining it. It is property, then. Now, if the Government is bound to furnish those who have money with the means of transporting it, free of expense, from one part of the Union to another, are they not equally bound to furnish the means of transporting every other species of property in like manner? Is equality one of the fundamental principles of the Government? Shall any one set of men have laws made for their peculiar benefit, which are to reach no other class? Is this just? If it is not, then the Government should furnish the means of taking our flour, pork, cotton, tobacco, horses, mules, and cattle to market. One

man has ten thousand dollars in cash at Cincinnati; another has ten thousand dollars worth of flour; and a third ten thousand dollars worth of mules, at the same place. If the Government is bound to make a national bank, to transport the money to Philadelphia, it is equally bound to furnish a national steamboat to take the flour to New Orleans, and national mule drivers to take the mules to South Carolina. If any gentleman can point out the difference, and show why a distinction is to be made among the cases, and especially, why the peculiar privilege should be given to the individual who has the money—a class who are generally better able to take care of themselves than any other—I should really be pleased to hear the argument.

But we have one consolation in all this controversy. If a national bank is a sovereign remedy for all the evils—pecuniary, political, and physical, with which we can be afflicted; if it is a panacea for derangements of the currency; for party conflicts, endangering the stability of the Union; for cholera, and for short crops of wheat, corn, and cotton—one thing is quite certain: we can adopt this remedy whenever we think proper. This is a great privilege we enjoy. I admit, however, that there is no prospect of getting a bank during Mr. Van Buren's administration, and so far as I am concerned, individually, I am willing to try a few more "experiments," as they are called, before I resort to it. When we have gone the "rounds," and find that nothing else will save us from ruin, it will be time enough then to begin to think of making a national bank.

But I return to the measures now before us. By issuing Treasury notes we use our credit to enable us to carry on the operations of the Government. We cannot pay our debts. Why? Because those who owe us cannot pay. We must either prosecute them and compel them to sue their debtors, or we must give time, and enable them to indulge those who owe them. We prefer the latter course; and when an individual who has a claim on the Government for provisions furnished to the army, or for any other service, calls for his money, we tell him we cannot pay for want of funds, but we give him our note, payable at the end of a year. He is not obliged to take this. He has a right to demand gold or silver; but he will take the note in ninety-nine cases out of a hundred; for by calling upon any bank or merchant that owes the Government, he can get money or currency for his note that will answer his purpose where he resides. For example: the deposite banks in Cincinnati would buy his note and give him their paper, which, in common business, would answer him as well as specie. The bank would send in the note to the Treasury, and get credit for that amount in their dealings with the Government. We do in this case what an honest man does in his own affairs. We settle; and not having the money, we give our note for the amount due; and our creditor either holds the note till it becomes due, or he trades it off for property or cash, as may best suit his own convenience or interest.

By the time our notes are due, we shall be able to lift them, with the money paid in by the banks and the merchants, and from the current receipts into the Treasury from duties and public lands, we will have relieved both Government and people by thus using our credit; the debts due to us will be paid without distressing any one; and our paper will be redeemed. The measure is, therefore, a salutary one. It has been tried before—especially during the last war. It should not be resorted to upon light or trivial occasions; but when the public interests require it, no one should hesitate to lend his support to a course of policy which is both safe and beneficial.

The sub-Treasury system, as it is called, seems to have excited more alarm in certain quarters, than any other proposition before us. It is said we are about to cut loose from the banks; to turn them adrift to take care of themselves, and to be driven about by wind and tide till they are wrecked upon some dangerous coast, or lost amidst the conflict of elements which they will be forced to encounter. Is this true? Are we about to cut loose from banks? Why, sir, they have cut loose from us. They have divorced themselves; or, rather, they have eloped from our bed and board, without just cause or provocation; and have carried off all the money and jewellery they could find about the house, at the time of their elopement. All that we say is, that, if they attempt to return, we shall shut the doors upon them; and, in the meantime, give notice that we will pay no debts of their contracting after this date. If any man trusts them, it will be his affair, and not ours. This is our position, and is nothing more nor less. They have left us, and not we them; and we have no disposition to renew the connexion. Hereafter, we intend to take care of our money ourselves. We claim the same right that every man in the country exercises—the right to manage our own funds, without employing banks to do it for us. No one can complain of this. The banks have no more right to the money of the Government than they have to that of individuals. The law declared that, if they suspended specie payments, they should no longer be public depositories. They did suspend, and the Secretary obeyed the law. That is the whole story.

The administration has been accused of hostility towards the State banks. How has it been shown? Where is it manifested? In the message? In the report of the Secretary? I defy any man to find a word in either of those documents evincing hostility to the State institutions. On the contrary, both these documents treat the banks with great mildness. Is it in the measures emanating from our committee? We furnish proof to the contrary. Our bill allows time for settlement with all the deposite banks; and if the time named is not long enough, let the House give further indulgence; for one, I will cheerfully vote for it. This charge is utterly without foundation. The administration leaves State institutions where they have always been—under the care of the people and Governments of the several States in which they are situated. It has no control over them, and desires none. It takes no stand for them or against them, simply because it is a subject with which the General Government has nothing to do. There are objects enough within the pale of its constitutional powers to employ all its energies, without going beyond them to embroil itself in controversies with the State authorities.

We have heard much recently about "two currencies—one for the Government, and the other for the people" So far as such language has been used here, I will not call it miserable newspaper slang—though in another sense it is so, for we see it in the party newspapers of the country. I consider it a most pitiful party subterfuge, to alarm the public mind, and create prejudices among the people, in regard to the system of collecting and keeping the public money now proposed, before time has been given to examine its principles and details. Two currencies! Why, the administration does not propose to create one currency, much less two. It makes no currency—the constitution has done that. We propose to adhere to the constitution. Does any one object to that? The revenues are to be collected in money; or, for a time, partly in money, and partly in paper equivalent to it; and, ultimately, if you please, in hard money. If any man is opposed to this, let him quarrel with the constitution. Does the Government claim more than private citizens? Has not every man a right to specie in payment of his debts? Is any one bound to take paper? If a citizen has land to sell, is he bound to take any thing but specie for it, if he choose to ask that and refuse paper? Have not the whole people the right to do what each one can do? What do we mean by the Government? You mean the persons who

happen to be in office at this time—those who now administer the Government. They are but the temporary agents of the people, and they will collect revenue in whatever the people direct. It is no affair of the individual agents. It is the people's business, and is for the benefit of the whole country. Gentlemen talk about the Government as they would in England, where the Government of King and nobles may have a distinct and separate interest from that of the people. Here the interests are the same. The people decide, through Congress, in what their federal revenue shall be received; they decide, through the State Legislatures, in what their State revenue shall be taken; and they then decide, each man for himself, in what his own revenue shall be collected, and what kind of money, or bank paper, he will receive from those who owe him. Away with all such trash, then, about "one currency for the Government, and another for the people." It is unworthy to be either propagated or listened to by any man of enlightened understanding.

Those who assume to be the especial friends of the State banks complain that the General Government has lost confidence in them, and has changed its ground in regard to the system of depositories. The case is a plain one. The banks have failed to perform their engagements; they have violated their contracts with the Government; they have got our money, and cannot pay it out to meet the wants of the public. The system has, practically, failed to answer the purposes for which it was adopted. Now, although the banks may have been honest, and may have been driven to this condition of things without any agency of their own; although they may make it appear that the system has not had a fair trial; and that, under a new organization, they could do better than heretofore, still the administration is under no obligation to try them again. It does not choose to do so, and neither they nor their friends have any right to complain. What can we do for them? Surely no one will propose to make them our depositories now, whilst they refuse to pay their notes in specie, nor would any man ask us to take their notes in payment of public dues. That would be too monstrous to find advocates any where. What then is proposed? Shall we say that the banks which resume in ninety days shall receive the deposites, and their paper shall be taken in payment of the public dues? Such an act would be a direct transfer of the public money to Nicholas Biddle's bank. Why, sir, no banks can resume specie payments who have any paper in circulation, until the drain of specie to Europe is stopped. When is that to be? Specie is now worth in England only three per cent. interest. On British securities, plenty of it can be had at that rate. No one will deny this. Through the agency of his British stockholders, Mr. Biddle can get what money he wants. Suppose he were to negotiate a loan of ten or twenty millions in London; enabling him to draw bills to that amount; bring down the exchange to par, and thereby stop the exportation of specie at once. Every body knows that he can do this if he will. He could then resume specie payment at once; and, holding the exchange of the country in his own hands, he could control the other banks who would or would not resume at the same time, as he might direct. Without his approbation, they would have to wait till the foreign debt was arranged through his means. Then the drain would be stopped, and they could resume in spite of him. But, in the interval, under our law, he would resume specie payments, and demand the public deposites. Who could prevent his getting them? He would inevitably obtain them under such a provision, and those who may advocate this policy, whatever may be their purposes, are, in reality, playing into the hands of the United States Bank. Let them beware of this, lest the seed they now sow should hereafter produce a harvest of public calamity and individual mortification.

I shall not pause to discuss the merits of the sub-Treasury system. It will be time enough to do that when the bill comes before the House for its action. But I must say, in passing, that it is amusing to see the subterfuges to which the opposition are driven, to keep up a clamor. For years past they have been abusing the executive branch of the Government for having seized the sword and the purse; for having usurped all power, and trampled upon the constitution; and, especially, for having added an enormous amount of power and influence to what it formerly possessed, by its control over nearly one hundred deposite banks. All the presidents, cashiers, stockholders, and borrowers, were supposed to be under executive control, forming a large army, to enter the fields with millions of money, at every election! Now what do we hear? The banks have separated from the Government. Whatever influence the Executive ever possessed over them is gone. It is proposed by the President not to employ any such agencies in future; but to let the money remain in the hands of the collecting officers, who are to pay it out as it is wanted. It is not proposed, by the bill before us, to increase the number of officers at all. There may be a few more clerks wanted; but the increase is too trifling to be named. Here is the Executive, endeavoring to keep clear of his old "army of dependants," and, to our utter astonishment, the opposition are trying to force them upon him. They are abusing him for trying to get rid of this very patronage which they have so much deprecated in past time. What consistency there is in the public course of these gentlemen! Let the President do what he will, they oppose him. If he has patronage, they abuse him for it; if he proposes to abandon it, they abuse him for that. If he remains silent, they quarrel with him because he does not speak out and let the country know what he thinks. If he gives his views upon a question, and suggests a course without expressly advising it, then they cry out, "non-committal;" and, if he comes out boldly, and recommends a measure as, in his opinion, fraught with public good, they denounce him as a tyrant, attempting to dictate to the "House of Commons," the representatives of a free people, what they shall do in a great public emergency; This, I suppose, is what is called, now-a-days, being "for our country, and against a party."

We have a most extraordinary scene before us in regard to this bill. It is the tendency of all executive departments to accumulate power and patronage. Here is the Executive of our Government, voluntarily proposing to relinquish patronage, and those who are in opposition striving to retain it in his possession; to force it upon him. It is, perhaps, the first instance in the history of free Governments where such a proposition has been made, and has met with opposition in such a quarter. What we shall see next, no man can even conjecture.

By this scheme we shall be able, at all times, in peace and in war, to command our own funds. No revulsion in trade; no expansion or contraction of paper currency; no movements of speculators, will ever embarrass the operations of the Government. The expense is but trifling, probably not fifty thousand dollars a year. The losses from misconduct of public officers will be no greater than at present; for the money now all passes through the hands of these same men. Are not our officers as honest as the officers of banks? Cannot the Government provide vaults that will be as strong and secure as the vaults of banks? In a word, we have the alternatives presented to us, either to adopt this system, or resort to a national bank; for to that point we must come, if we cannot devise a mode of collecting, keeping, and transferring public money without bank agency.

By receiving our revenue in specie, and paying it out among the people, we keep it in circulation. We thus create a demand for it in the country, and prevent its go-

ing abroad. We shall infuse a larger specie basis into the circulating medium, and render the State banks more solid and permanent than they are at present. This policy will prevent sudden and great fluctuations, and will, in fact, aid the banks, by increasing the public confidence in their ability to meet their engagements.

Pass these bills, and all the banks which have been prudently managed can resume specie payments in a short time. There are but two obstacles now which prevent them from doing so. The first is, the debt due to the Government; and the other, the debt due abroad. Our bill for settling with the banks, and allowing them time, removes the first difficulty. They can then open their doors without the fear of having a Government draft presented, which would drain all the specie from their vaults and compel them to suspend a second time. As to the other obstacle, much of the foreign debt has been already paid; and by giving time to the merchants to pay the debt which they owe us, we enable them to discharge and arrange the remainder. The crops of this year, the cotton and tobacco, will pay a large portion of the foreign debt. Time will be obtained for some part of it, and insolvencies will discharge the remainder. The drain of hard money will, in a short time, be suspended; the banks can resume; business will revive; and the industry, frugality, and enterprise of the American character will soon restore the country to that flourishing condition in which we saw it one year ago.

The bill now before us, to postpone the fourth instalment of the public deposites with the States, involves three questions. Do we want the money? Have we a right to retain it? Is it expedient to do so? Settle these interrogatories, and we shall know how to vote upon the proposition to withhold the money.

As to the first, I do not see how there can be a doubt. The President declares, in his message, that there is a deficit in the Treasury, and that this money is needed for defraying the public expenditures. The Secretary of the Treasury has told us the same thing in his report, and informed us that he has not the means of paying over the money to the States, because there are no funds available for that purpose. Here are the high functionaries of the executive department officially stating to Congress, to the American people, and to the world, in distinct and positive terms, that we want this money for the immediate use of the General Government; that there is a deficit in the Treasury; and yet gentlemen here pretend to doubt about it. In opposition to these official statements, we have the guesses and conjectures of members upon this floor, who ask us to vote against the bill, because they say they cannot understand the Secretary's report. Sir, I will not say that there are none so blind as those who will not see; but I will say that, without pretending to any more sagacity or financial skill than other gentlemen, I have not found the slightest difficulty in understanding the report. One would suppose, from remarks here, that Mr. Woodbury deserves to have been consigned to a "dunce block" from his childhood to the present hour; that he is not qualified to play clerk in a counting-house, much less to take charge of the finances of a great nation. Let us look at his report for a moment, and see whether there is really any thing so unintelligible about it.

The question of a deficit has nothing to do with the thirty-seven millions intended to have been deposited with the States. Let us leave that out of the calculation entirely. Its introduction only serves to confuse the mind.

There was in the Treasury January 1, 1837,	$6,670,137
The money received during the first six months of the year is - - -	13,187,182
The revenue for the last half of the year will be - - - -	7,000,000
Making, in all, - - - -	26,857,319

These are our means for defraying the expenditures of the year.

The expenditures for the first half of the year 1837 are - - - -	$16,733,844
For the last half of the year will be -	16,000,000
Total expenditures for 1837, - -	32,733,884
Deduct the amount of our funds, - -	26,857,319
Balance against the Treasury, - -	$5,876,565

Here is a clear balance of nearly six millions which must be provided for in some way. There is no mistake about it; there can be none. He that runs may read. And with all the mystification of gentlemen, the figures will tell the truth, and must invariably produce the same result.

The law regulating the mint authorizes the Secretary of the Treasury to employ a million of dollars in that establishment, to purchase bullion, and keep the whole in active operation. And the deposite law contemplated that there should always be a surplus in the Treasury of some five millions to meet contingencies, which are unforeseen and not specially provided for.

Take the above deficit, - - -	$5,786,565
Add for the mint, - - -	1,000,000
Say for contingent fund only, - -	3,000,000
	9,876,565

And we have a total sum of nearly ten millions to be provided for this year.

This calculation is so plain and simple that a child can comprehend it; and yet grave and intelligent statesmen are daily complaining that the report of the Secretary on the state of the finances is so involved and obscure that they cannot understand any thing about our pecuniary condition.

How is it proposed to get rid of this deficiency? The gentleman from Georgia [Mr. DAWSON] proposed the other day to supply it, by applying the unexpended balances of appropriations to that object! Was ever such an idea heard of before? The unexpended balances are sums ordered by law to be paid out of the Treasury for various purposes, but which have not been paid. They are debts which the Government owe, but which are not yet due. They amount at present to twenty-four millions of dollars. The gentleman made the strange mistake of supposing that these balances were money in the Treasury, when they are claims upon the Treasury! His proposition amounts to this: A owes thirty-two dollars, and has but twenty-six dollars to pay it with. Besides this, his note is out for twenty-four dollars, but it will not be due till next year. He complains to B that there is a deficiency in his treasury of six dollars, having but twenty-six dollars to pay thirty-two with. His friend gravely advises him to take a part of that twenty-four dollars, which is not due till next year, and pay off the six dollars that are now due! In other words, the gentleman supposes that the amount which a man owes indicates the amount of money he has in possession, especially if the debt is not due till next year!

What is the financial scheme for supplying this deficit? The gentleman from Tennessee, [Mr. BELL,] after a number of calculations for the relief of the Treasury, informed us that there were five millions of money in the hands of disbursing officers which had been kept out of view by the Secretary, and seemed to have been lost sight of by the House. He felicitated himself upon the discovery, and defied any one to overthrow his position. Let us see how this matter is.

The expenditures of the year are thirty-two millions, and the means twenty-six. I speak in round numbers, without noticing fractions. This leaves a deficit of six millions. But where are these twenty-six millions? Part

of that sum has been collected, and part has not; it is yet to come into the Treasury during the year; of that which has, part of it is paid out; part of it has been given to disbursing officers, who are ordered to pay it over to the persons who are entitled to it; and the balance remains in the banks, the mint, and in the hands of receivers of land offices and collectors of customs. When the Secretary comes to inform Congress where the money is, he states that part of it is in the hands of these officers. But does that give him any more money than the twenty-six millions? It is preposterous to talk about it. Let me illustrate the case. A owes two hundred dollars, due in small sums, to various individuals; he has but one hundred dollars in the world, and applies to his friend B to loan him another hundred to discharge the claims against him. B inquires of him where his one hundred dollars are. He answers: fifty dollars in bank, forty dollars in his drawer, and ten dollars in the hand of a friend, who has agreed to call, the first time he goes to town, and pay a balance of that amount which he owes in a store; and he is not certain whether his friend has yet been to town and paid it or not. Now what should we think of B if he were to direct A to go to his friend, and get that ten dollars from him, and tell him he would then only want to borrow ninety dollars instead of a hundred? Could A believe him to be serious? And yet that is the exact proposition of the gentleman from Tennessee, word for word, and letter for letter. Was ever such a plan invented before by a financier to relieve an embarrassed Treasury? Why, A might as well go and get the forty dollars in his drawer also, and then he would have but fifty dollars to borrow; and if he would then call at the bank, and get his fifty dollars in deposite, he would not want to borrow any thing, and his one hundred dollars would thus be made to discharge debts to the amount of two hundred. Sir, this system is not quite equal to the "philosopher's stone," which transmutes every thing it touches into gold; but, except that, it is superior to any thing within my knowledge for multiplying individual and national wealth.

Several gentlemen have advised us to repeal the appropriations of last year, and thus get clear of our embarrassments. Why do they not bring forward a bill for that purpose? What appropriations will they repeal? What public works are to be suspended? What roads, harbors, rivers, custom-houses, light-houses, are to be curtailed of the sums set apart for their benefit? Give us the items, and let us see who will vote for them. Are the sums allowed for the support of civil officers of the Government, for the army, the navy, the Florida war, or the removal of Indians, to be curtailed? Shall we delay the payments under Indian treaties, and involve ourselves in more wars with them? Are the public works to be suspended, where contracts are already made and hands employed upon them? Shall we violate our contracts, and turn a large number of individuals out of employment? Would this be relieving the people? Are the public works to be damaged by remaining in an unfinished state, and large expenses incurred in collecting hands together at some future period—an expense which we intended to avoid, by making large appropriations, so that the hands need not be scattered, but could be kept together, and go on till the works were finished? Finally, as fifteen millions of the appropriations have been postponed until next year—so we are informed by the Secretary—are these the same appropriations which gentlemen propose to postpone again, or are they other and different ones? Let us have light on this subject. Conjectures and generalities will not justify us in leaving the Treasury empty, and the public service unprovided for, in direct opposition to the statements of the head of the Department.

Have we a right to withhold this money? Upon this point it does seem to me that gentlemen have run wild. With all due respect for them, I must say that their arguments remind me of scenes I have witnessed, when a very young man, before a magistrate in the country, where two young lawyers were engaged in pettifogging a case about five dollars. They read Blackstone and other elementary works, and gravely inform us that "a contract is an agreement to do or not to do a particular thing, upon sufficient consideration. We are then told that the General and State Governments made a solemn contract about these deposites, which compels us to pay them over, whether we have the money or not! Gentlemen talk of this Government as though it were something foreign from, and hostile to, the people and to the State Governments. What delusions! Who made this Government? The people of the several States, acting as separate communities, through their constituted agents. Whose, Government is it? The people's. Have they any interest, other than the interest of the Government? Certainly not. Whose money is this? You say, the people's. Very well. If the General Government and the State Governments both belong to the people, and this money also belongs to them, it is merely a question to which of the Governments shall it be given? The State Governments say they want it: so do we. We have collected it under our laws, and intended to place it with the States for safe keeping until we needed it; but it turns out that we want it before it has been passed over to them. Is the General Government to stop, in order that money may be placed with the States for safe keeping? The proposition is an absurdity upon its face. Are we to pay over this money for the pleasure of immediately calling it back? What statesman would advocate such a doctrine?

When the law of June, 1836, passed, this money was treated as a deposite. Every one knows that, as a distribution law, it could never have passed through either House of Congress; and if it had, it would have been vetoed by the President. It is treated as a deposite upon the face of the law. The Secretary, by consent of the States, is to place the money with them. The word consent is used as to the banks also, and for the obvious reason, that we could not compel either the States or the State banks to take our money; they must consent to it. Neither the terms employed, nor the proceedings enjoined, imply a contract, except that the States and banks shall pay the money to this Government when required to do so. Suppose Congress had repealed that law before January, 1837, would the States have been entitled to any thing under it? Have they a vested right to the money? Suppose a war had broken out in the interval, between June, 1836, and January, 1837, rendering all the funds we had necessary for the purposes of this Government—would any one contend that we were still bound to go on, and deposite the money? Congress did virtually repeal the law in part, by appropriating some six or seven millions last session over and above all the other money which they had in the Treasury, and of course thus far encroaching upon this fund. When the law of June, 1836, passed, we were told that the States were patriotic and high-minded, and would pay this money promptly whenever it should be needed; and that, until that period, they could use it, which was much better than to allow the banks to use it for their private advantage. It was supposed it would be much safer too in the State Treasuries than in the banks. What do we see and hear now? Now it is a contract; and although three instalments have been paid, and the Treasury is empty, gentlemen here are willing to see the wheels of Government stop, that they may secure the balance which their States expected to receive! Who would have anticipated this? We have given them our all, and they now want us to violate the constitution—borrow money to place on deposite with the States! If we can do so for that purpose, we can borrow to loan to banks and individuals, or for any other purpose under heaven.

We placed this money with the States supposing it would be safer than in the banks. The banks cannot now pay us what they have got, though they will finally discharge every dollar; but the amount with the States will indeed be safer than in banks; for, from the spirit displayed in Congress, I do not believe we shall ever get the consent of their representatives to pay back one dollar of what they have received. Gentlemen talk of contracts, and of "public faith!" That will be keeping public faith, and fulfilling contracts, with a vengeance!

Is it expedient to withhold this money? I think so. We are about to issue ten or twelve millions of Treasury notes. They will be payable one year after date. We should have a fund provided for their redemption as they fall due. This money in the banks is that fund. In connexion with what will be paid in on the merchants' bonds, we shall have a sum equal to the notes issued. The value of such paper as Treasury notes depends somewhat upon the ability to make prompt payment, as well as upon the ultimate responsibility of the Government. The receivability of the notes in payment of public dues will create a demand for them; and the provision for their prompt payment will add to their value in the money market.

Again: we must either retain these funds, or borrow money to carry on the Government. We must issue stock, and create a national debt, or resort to these funds. Gentlemen say we are borrowing money when we issue notes. Well, be it so. Then, when I settle with my neighbor, and give him my due bill for the balance I owe him, because I have not the money, I have borrowed that sum of money from him! Is this the common, usual acceptation of the term? If it is not, why become so very metaphysical and astute all at once, to fix upon us what is supposed to be the odium of borrowing money? We cannot pay, because we cannot collect; and, like honest men, we give notes to those we owe, promising to pay as soon as we can get our money. That is the whole matter, disguise it as you will.

We have not the means to pay this instalment to the States. The Secretary has told us so. He cannot raise the money. Gentlemen affirm that the States will take the paper of the deposite banks. Why, we all know that this is not so. The States might take the paper of banks within their own limits, or in their immediate neighborhood; but the banks in the South and West have nearly all the money due the Government. There is no money in the North. Will Massachusetts take the paper of the Alabama and Mississippi banks—from ten to twenty per cent. below par in Boston—and bind herself to return specie, when called upon for payment? Will Maine, New York, or any other Middle or Northern State, do so? We know they will not. It is idle, therefore, to talk of turning the banks over to the States. The States would present their drafts upon the banks, get them protested, and then return them upon the Treasury—producing still further embarrassment than already exists.

If we create a debt by borrowing money, how is it to be paid? By new taxes levied upon the people. Not direct taxes, but by a high tariff. Let the planting and agricultural States look to this. Without a debt, there can be no pretext for keeping up the tariff. With such an incumbrance, there will be a reason for its continuance; and when was such an opportunity ever known to slip through the fingers of the manufacturing interest, without being improved? It is time for the planter and the farmer to begin to take care of themselves. Those who produce all and "pay for all," are usually forgotten amidst the contests and combinations that take place in legislating for other portions of the community. They share the too common fate of modest and unobtrusive merit. They are overlooked, whilst the clamorous, impudent, and obstreperous, often obtain advantages to which they have no just or well-founded pretensions.

As to the amendment offered to this bill by the gentleman from South Carolina, [Mr. PICKENS,] I have nothing to say. I see no particular objection to it, and shall vote for the bill, whether the amendment prevail or not. In either case, my object will have been effected. That object is the postponement of the deposite, to enable the Government to use its own funds, to pay its debts, and fulfil its obligations.

These are our measures. This is our system. If the opposition have any thing better, let them present it, and I, for one, will cheerfully vote for it. The question presented to every gentleman now is, relief or no relief. Show us your hands, gentlemen! What do you intend to do? Have you any plan to relieve the country? Can you do any thing for the people? Are you willing the wheels of the people's Government shall move on, or do you mean to let them stop? These are grave questions; and every man must answer them to himself and to his constituents in the best manner he can. But, sir, the people will not judge gentlemen by their professions; the practice must conform to them. And, without pretending to the gift of prophecy, I will predict, that he who offers nothing for the public benefit, at this perilous and interesting crisis, and, at the same time, opposes all measures presented by others—no matter how much concern he may avow for the sufferings of his country—on his return to the bosom of his district, will find himself subjected to a fiery ordeal before his insulted constituents. The good sense of the country will set this matter right, and by that decision, willing or unwilling, we must all abide.

For my own part, I shall sustain the bills before the House, believing them to be fraught with permanent good for that common country which should be so dear to us all. And, whether they succeed or fail, I shall at least have the consolation of knowing that, as an humble individual, I have contributed every thing in my power to deliver both the Government and the people from the misfortunes and difficulties which at present surround them. I must close, sir, by thanking the House for their kind and patient attention.

Mr. DAWSON said he would apologize to the House for participating in this discussion at this time. He would not have attempted it, but from the peculiar position in which he was placed in relation to the question under consideration. I purpose (said Mr. D.) making my observations brief. I do not intend, sir, in the investigation of this subject, to follow after the arguments of many honorable gentlemen who have discussed it. I understand the only question now presented to the consideration of this body is, whether we shall postpone the deposite of the fourth instalment of the surplus with the States. To that question, then, and to that question alone, sir, will I confine my observations, and endeavor not to go beyond the limits that should be prescribed to that subject. And, sir, in order to ascertain some important and leading facts in relation to it, it will be incumbent upon me, as a preliminary step, to propound some questions to honorable gentlemen, and more especially to the chairman of the Committee of Ways and Mans; for, if I know myself, I can confidently aver that my vote will be the result of an honest conviction upon my mind, and a deep sense of the duty I owe my constituents and the country. Sir, if I could, on a question like this, be influenced by any party feeling whatever, I should hold myself utterly unworthy to represent those who sent me here.

For the purpose, then, Mr. Speaker, of discussing this subject most understandingly, and of presenting the facts as they exist, I will ask the honorable chairman of the Committee of Ways and Means this question: If this bill should pass, do you then propose to pass the bill on the Clerk's table, granting indulgence to those banks known as the deposite banks?

Mr. Cambreleng. I will answer the gentleman's question as well as I can. I can only answer for my own vote; but, in reference to that bill which proposes principally to grant indulgence to the banks in the Southwestern country, I will give it as my opinion, that I have no doubt it will pass this House by a large majority. I shall certainly give it my zealous support.

Mr. Dawson. Very well; I have a response to that. I also, Mr. Speaker, before I go into the argument, wish to ask gentlemen from the State of New York, and the chairman of the Committee of Ways and Means especially, whether the banks in the State of New York are considered as solvent or insolvent?

Mr. Cambreleng. The gentlemen puts a more difficult question to answer, Mr. Speaker. Some of them are solvent, and some of them are possibly insolvent; there is one broken bank among them.

Mr. Dawson. I mean the deposite banks.

Mr. Cambreleng. There is one of them broken.

Mr. Dawson. I now, sir, put the same question to gentlemen from Ohio, to know whether the banks of that State are solvent or insolvent? The deposite banks, I mean.

Mr. Duncan said he would answer the gentleman, as far as he knew, (although he knew nothing practically about it, but from report;) but he believed the banks of his State were generally solvent, and the public had confidence in them. Their paper, however, was from ten to fourteen per cent. below par.

Mr. Dawson. Mr. Speaker, I discover that a large amount of the public money is on deposite in the banks of Louisiana, and I beg leave to propound the same interrogatory to my honorable friend from Louisiana before me, in relation to the deposite banks of that State.

Mr. Johnson replied, that they were as safe and as solvent as any in the Union.

Mr. Dawson. I will propound the same question to my friend from Alabama, who sits near me. However, sir, I will not reiterate the question; but if any of the deposite banks, in any of the States, are insolvent or unsound, I should be glad to hear. I pause for a reply.

Mr. J. C. Clark, of New York, referring to the reply of Mr. Cambreleng, said that that gentleman might just as well have said that all the deposite banks of New York were broken as that one was. As to the Dry Dock Bank, (to which he supposed the gentleman referred,) he was informed the bills of that bank were at five per cent. discount. He did not believe the Government would lose a dollar by that bank. The banks of New York would compare with those of any part of the Union. The people were indebted to them more, by thirty millions, than the whole sum they owed.

Mr. Whittlesey, of Ohio, said, that as he supposed these queries were put with a view to sustain an argument, it might be important that the gentleman from Georgia should receive correct information in reply. Mr. W's colleague had stated that the paper of the deposite banks of Ohio were at ten to fourteen per cent. discount.

Mr. Duncan explained that he had spoken of the banks of Ohio generally.

The inquiry, Mr. Whittlesey said, had referred especially to the deposite banks. Now, (said Mr. W.) I aver that the paper of the banks in Ohio is not depreciated, unless it may be that of one solitary bank in the district where my colleague [Mr. Hamer] resides. There are not more solvent banks in any part of the United States. They are as sound at this moment as they ever were. Let the New York banks resume specie payments when they will, the banks of Ohio will follow suit. One of the largest banks in the State is now paying specie. The bank at Dayton has never, in fact, ceased to do so more than a few days. Ohio is willing to take her share of the deposites in bills of her own banks; and if she shall receive more, she will give ample security that the deposites in her banks will be, at all times, forthcoming in notes as good as silver.

Mr. Duncan still insisted that it was a fact, if an individual wanted to convert Ohio bank paper into specie he must pay ten per cent. discount upon it.

Mr. Hamer remarked that the notes of the little bank referred to as being in his district, were as good as any other, as far as they circulated.

Mr. Whittlesey explained that he himself knew nothing about that bank, further than that, by the advertisement of the State Treasurer, he saw its notes were not receivable in payment of taxes. In relation to all the other banks of the State, their paper was received at par.

Mr. Bond confirmed this statement.

Mr. Dawson. I have no doubt of the accuracy of the statement at all, for I have the authority of the Secretary of the Treasury that all the bills of those banks would be available at some period. The only doubt upon my mind was, whether these banks were solvent at this time; for upon that point the vote I shall give will be chiefly governed.

These facts now being ascertained, I propose, Mr. Speaker, to give the reasons that will induce me to vote against this bill. Sir, I am influenced by the idea of a contract between the General Government and the States. I consider the law of June, 1836, directing the deposites to be made with the States, in the nature of a pledge on the faith of the Government; and I hold the General Government bound to fulfil that pledge to the States, unless consequences injurious to the interest and prosperity of the Union demand the postponement or repeal, or unless there exists an inability on the part of the Government to execute the law. With that view let the question be examined.

The Secretary of the Treasury, in his report to this Congress, whilst speaking of the temporary embarrassments which the recent convulsions in commerce and banking may have created, says, "there is no just cause for despondency." The country "is neither overwhelmed with a national debt, nor destitute of large pecuniary resources on hand; but, entirely free from the former, it is so amply supplied with the latter, as to have in the Treasury over forty millions of dollars, and eight or ten millions more in bonds, which will soon become payable. But a large portion being in deposite with the States, and the residue chiefly in banks, and in the hands of merchants, under the difficulties before named, in procuring promptly, and in a legal currency, the amounts of money which are needed, some collateral aid for a short period, till a sufficiency can be collected, appears to be judicious, if not indispensable." The amount, then, in the Treasury, and due it, is over fifty millions of dollars; of this sum, there is yet in the deposite banks over thirteen millions; in the hands of merchants, over ten millions of dollars. But the Secretary of the Treasury says these funds are unavailable: what does he mean by the word unavailable? Nothing more than that the notes due by the banks, and the bonds of the merchants, cannot be converted at this instant into specie. Hence, the call of this extra session of Congress, and the difficulties and confusion in the operations of the General Government and among the people. In this condition of affairs, Congress is in session; and our agent of finance recommends forbearance, indulgence, and kind treatment to the deposite banks, which owe the Government upwards of thirty millions of dollars. Yes, sir, the recommendation of the Secretary is, that an arrangement be made with the banks, and the money be permitted to remain where it now is; and the same course be pursued towards the bonds given by the merchants for the public dues. He then says, "hence it seems expedient" that "some temporary resource should be provided until enough of the fourth instal-

ment, or other means in the Treasury, can be rendered available to discharge all the public engagements." "It is not," says he, "to be a loan, or an increase of taxes of any kind; as the General Government, in respect to its finances, is far from having any just cause for despondency." Yet he asks Congress to supply him with ten millions of Treasury notes. And for what purpose? To supply profligate and extravagant appropriations made by Congress for clearing out creeks, building useless fortifications, &c., and exploring expeditions in search of unknown regions of the world. Will this be a benefit of immediate advantage to the great body of the people? No, sir; no, sir. It is for the purpose of relieving this Government, and for that purpose alone. It is a mere arrangement to keep in motion the wheels of this central power. And this is one of the modes of relief which the gentleman from Ohio, who has just taken his seat, [Mr. HAMER,] insists is to relieve the people! Sir, it becomes a farce!—it is a mockery!—when it is designated a bill for the relief of the people.

Mr. Speaker, what next do we hear? The chairman of the Committee of Ways and Means, this chancellor of the exchequer, calling upon the Government, or rather upon the Congress of the United States—for what? He is, to be sure, somewhat more modest than the Secretary of the Treasury, and asks us for $9,100,000—for the relief of this suffering and overwhelmed community. For what then? Why, it is in accordance with the views of the Secretary of the Treasury, and to add force to his requisition. And he, too, speaks of this bill as one, in all its tendencies, calculated to relieve the people, and improve the commercial operations of the country.

The gentleman from Ohio urges the passage of the bill postponing the fourth instalment, and warns the members of this House not to vote against this proposition, and reads us a lecture of what our constituents will do if we oppose it. Sir, I do not consider the gentleman from Ohio a prophet, nor the son of a prophet, and consequently feel no apprehensions or uneasiness from his predictions; and shall await, with perfect confidence, the judgment of an enlightened and just constituency to confirm my views, and to sustain my course, on this question.

[At this stage, at the earnest solicitation of many members, Mr. D. gave way to Mr. CRAIG, on whose motion the House adjourned.

THURSDAY, SEPT. 28.

MISSISSIPPI ELECTION.

The House proceeded to the consideration of the business of the morning hour, being the report of the Committee of Elections, which was accompanied by the following resolution:

"*Resolved*, That Samuel J. Gholson and John F. H. Claiborne are duly elected members of the 25th Congress, and, as such, are entitled to take their seats:"

The question pending was the motion of Mr. MAURY to strike out all after the word "resolved," and insert "that Samuel J. Gholson and John F. H. Claiborne, not being duly elected members of the House of Representatives of the twenty-fifth Congress of the United States, are not entitled to seats on this floor as such."

Mr. HARLAN addressed the House as follows:

Mr. SPEAKER: I ask the indulgence of the House to permit me to state very briefly the reasons which will influence my vote on the question now before it. The Government has been in operation, under the present constitution, for more than half a century; and no case, precisely like the present, has been presented for the decision of this House. It involves a construction of the constitution important not only to the gentlemen claiming seats here, and the people of Mississippi whom they claim to represent, but to the people of every State of this Union.

The facts of the case, as presented by the Committee of Elections, are briefly these:

Messrs. Claiborne and Gholson were members of the Congress which expired the 3d of March last.

The law of Mississippi regulating elections was passed the 2d of March, 1833, and is as follows:

"SECTION 1. *Be it enacted by the Legislature of the State of Mississippi*, That all elections for Representatives to the Legislature shall be held at the court-houses or places of holding courts in the several counties of this State, unless otherwise specially provided for by law. And the times of holding such election shall be the first Monday and day following in November, biennially. And all elections for Senators in the Legislature, for Governor, Representatives to Congress, sheriffs, coroners, and all other State and county officers directed by the constitution to be biennially elected, shall be held at the same places and on the same days of the year in which they are respectively chosen, as are therein directed in the case of Representatives to the Legislature.

"SEC. 2. The sheriff of each county in this State shall, at least thirty days previously to the time of holding any election in his county, by advertisement set up at the door of the court-house, and three other public places in his county, notify the inhabitants of the time and place or places of such elections, and what offices are to be filled by such election: and the sheriff, on the days of election, shall open the poll at ten o'clock in the morning, and continue the same open until four o'clock in the evening of each day, and no longer. In case a vacancy happen, and a writ of election shall be issued to the sheriff, the sheriff shall advertise the said election, and give a time as near the thirty days as the period of elections will allow, provided it be not less, in any case, than ten days."

"SEC. 7. The representatives to Congress from this State shall be elected by the qualified electors, at the time of choosing representatives to the Legislature, once in every two years, to be computed from the first Monday in November, in the year 1833; and the returning officer in each county shall, within fifteen days after each election, certify under his hand and seal to the Secretary of State the whole number of votes given in his county to each candidate for Congress; and it shall be the duty of the Secretary of State to sum up the whole number of votes thus returned, and declare the candidates elect, who may have the greatest number of votes, by publication in some newspaper published at or nearest to the seat of Government. It shall be the duty of the Governor to deliver to the persons duly elected proper credentials, under his hand and the great seal of the State, which shall entitle them to a seat in the body of which they are elected members."

"SEC. 10. All elections for Governor, Representatives to Congress, sheriffs, and other county officers, shall be held and conducted in the same manner; provided that the returns for every election for Governor shall be made in the manner prescribed in the constitution."

On the 13th of June, 1837, the Governor of Mississippi issued writs of election in form as follows, viz:

"*By Charles Lynch, Governor of the State of Mississippi: to the Sheriff of ——— county, greeting:*

"Whereas the President of the United States has convoked Congress to meet on the first Monday of September next; and whereas a vacancy has occurred in the representation of the State of Mississippi in the House of Representatives of the Congress of the United States, by the expiration of the term of service for which Messrs. Claiborne and Gholson were elected:

"I do therefore issue this writ, authorizing and requiring you to hold an election in your county on the third Monday and day following in July next, for two Representatives to Congress, to fill said vacancy, until superseded

by the members to be elected at the next regular election on the first Monday and day following in November next; and I do moreover enjoin you to conduct the same, in all respects, conformably to law, and make due return thereof to the Secretary of State. In testimony whereof, I have hereunto set my hand and caused to be affixed the great seal of State, at the town of Jackson, this 13th day of June, 1837."

That, in virtue of the writs thus issued, elections were held, on the days therein designated, in fifty of the counties in the State; the result of which was, that the sitting members were elected.

On this state of facts, a majority of the committee of elections are of opinion, and so report, that Messrs. Claiborne and Gholson are entitled to their seats for the whole term of the 25th Congress.

The single question presented is, whether the expiration of a period of service is such a vacancy, within the meaning of the constitution, as authorizes the Executive of a State to cause it to be filled. That part of the constitution which has a bearing on the question is contained in the first article thereof, and is as follows:

"Sec. 2. The House of Representatives shall be composed of members chosen every second year by the people of the several States; and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State Legislature."

"When vacancies happen in the representation from any State, the Executive authority thereof shall issue writs of election to fill such vacancies."

"Sec. 4. The times, places, and the manner of holding elections for Senators and Representatives, shall be prescribed in each State by the Legislature thereof; but the Congress may, at any time, by law, make or alter such regulations, except as to the places of choosing Senators."

The gentleman from Virginia, [Mr. PENNYBACKER,] who addressed the House yesterday in support of the claim of the sitting members, insisted, that as the representation from Mississippi in this House became vacant on the adjournment of Congress, that that was such a happening of a vacancy as authorized the issuing of the writs of election by the Governor of Mississippi; and, in support of that opinion, he referred to the case of Mr. Lanman, of Connecticut, who claimed a seat in the Senate of the United States under an executive appointment. Sir, I have examined that case, and think it as an authority directly against the position assumed. What was it? Mr. Lanman's term of service as a Senator expired the 3d of March, 1825. On the next day he presented to the Senate a certificate, regularly and properly authenticated, from the Governor of Connecticut, setting forth that the President of the United States had desired the Senate to convene on the 4th of March, and had caused official notice of that fact to be communicated to him. The certificate of appointment was dated the 8th of February, 1825, subsequent to the time of notification to him by the President; and it recited that at the time of its execution the Legislature of the State was not in session, and would not be until the month of May following. The Senate, by a vote of 23 to 18, refused to permit Mr Lanman to take his seat. Among those who voted in the majority, are the names of individuals whose opinions on constitutional law will doubtless have great weight with certain gentlemen in this House. Those who voted in the affirmative were Messrs. Barton, Benton, Berrien, Branch, Chandler, Dickerson, Eaton, Findlay, Gaillard, Hayne, Holmes of Mississippi, Holmes of Maine, Jackson, King of Alabama, Lloyd of Maryland, Macon, Marks, Ruggles, Smith, Tazewell, Van Buren, Van Dyke, and Williams.

A case similar in all respects was decided at the called session of the Senate in March last, on the right of Mr. Sevier, of Arkansas, to take his seat. The Judiciary Committee of that body, in their report of the case, referred to the Connecticut case, and gave an interpretation to it, which, if correct, is decisive of this controversy. The report says:

"This decision seems to have been generally acquiesced in since that time; nor is it intended by the committee to call its correctness into question. The principle asserted in the case is, that the Legislature of a State, by making elections themselves, shall provide for all vacancies which must occur at stated and known periods; and that the expiration of a regular term of service is not such a contingency as is embraced in the second section of the first article of the constitution."

But, sir, I do not rely entirely on the precedents which are to be found in the proceedings of the body in the other end of this building. I insist that the constitution should receive a practical common-sense construction. Who ever before heard of the construction now insisted on, that the expiration of a term of service, which it was well known would take place, was the happening of a vacancy within the meaning of the constitution?

The people of Mississippi, through their Representatives in the State Legislature, fixed, as was their duty by the constitution, the time, place, and manner of electing members to Congress. That time is the first Monday in November and day following every second year. But the Governor stepped in, and fixed a time different from the law. If the power of the Governor was rightfully exercised, it follows that all State laws directing elections of members of Congress to be held after the termination of the last session were inoperative. The power of a State Executive and State Legislature is exclusive. They cannot act at one and the same time. The State Executive shall (in the emphatic language of the constitution) issue writs of election to fill vacancies when they happen. If the termination of an office is the happening of a vacancy, the elections to be held for filling the vacancies must take place at a time to be designated by the State Executive. Do gentlemen perceive the length to which this construction of the constitution will lead? The members of this House from ten States were elected since the termination of the last Congress, under and in virtue of State laws; and if the position assumed be correct, the members thus elected from each of those States were elected to fill vacancies; and if they were, the State executive authorities should have fixed the times of their elections. But I would ask the gentleman from Virginia (who was elected since the adjournment of the last Congress) if he were elected to fill a vacancy? Or, is he here under an original appointment? When it is said that a member has been elected to fill a vacancy, do we understand that he has been elected at a regular election, as fixed by State legislative authority, and for the entire term of the office; or that he has been elected to serve the remainder of the term of his predecessor, which has, from some cause, become vacant? Most assuredly the latter. To constitute a member of this House, for the entire term of the office, he must have been elected in the mode and manner prescribed by law. If he has been elected to fill a vacancy, the election should have been held at a time designated by the State executive authority.

But it is said that if the Governor of Mississippi had failed to have had writs of election issued, the State would have been unrepresented in this House. Sir, the hardship and inconvenience resulting from such a state of things cannot change the meaning of the constitution. The expiration of the term of office of members of Congress was well known by those who passed the law fixing the time of election. No one dreamed that a necessity would exist for calling an extra session of Congress. And the issuing of the President's proclamation did not create vacancies in the representation from Mississippi which authorized the Governor of that State to cause them to be filled. State

Executives are not to supply what they may conceive to be defects of State legislation. That power, by the express provision of the constitution, is reserved to Congress.

The whole tendency of things for the last few years has been to increase Executive power in the Federal Government. The present effort is to increase it in the State Governments; and it has been reserved for Governor Lynch to discover this new source of State executive power.

The people of Mississippi are now told that the law of their State authorizing them to elect representatives in November next to serve in this House has been annulled; and that the gentlemen who were elected in July last to serve "until superseded by the members to be elected at the next regular election, on the first Monday and day following in November next," contrary to the express terms of the Governor's proclamation, and the expectations of the voters, are to serve the whole period of the 25th Congress.

Such a construction, in my humble judgment, would not only be contrary to the spirit, letter, and obvious meaning of the constitution, but a violation of good faith, and a fraud on the rights of the people of that State.

Sir, this is no party question; it should rise above all party considerations. It is a question which affects the right of suffrage, which ought to be held sacred, and not in the least impaired by a play on words, or a technical construction of the constitution, which would be at war with the whole practice and understanding of the people since the organization of the Government to the present time.

Mr. BRONSON replied to the arguments of the gentleman from Tennessee, [Mr. MAURY,] and the gentleman from Kentucky, [Mr. HARLAN,] at some length. He first inquired whether a vacancy had happened on the 4th of March last in the representation of the State of Mississippi. It was clear that the State of Mississippi had no Representatives in Congress on the 4th of March last. That being the case, he apprehended there was a vacancy, and such a vacancy as was contemplated by the framers of the constitution of the United States, which the Governor was authorized to fill by special election. He then went into an examination of the meaning of the word "happen." Horne Tooke had said that words of doubtful meaning were made the everlasting engines of fraud and oppression; but he hoped that the State of Mississippi was not to be made the victim of scholastic technicalities. If this word was of doubtful meaning, the most liberal construction should be placed upon it; and fraud and oppression should not be practised upon the State of Mississippi in consequence thereof. But he contended that the word was not one about which there was much doubt; because almost all lexicographers agreed on this point, that whatever comes to pass, whether in the course of things or out of the natural order, happens. Others placed this definition on the word "happen:" "to intervene," "to fall out." The only question which appeared to be raised, was, whether a vacancy had "happened." Then had it intervened, had it fallen out, had it come to pass, that there was a vacancy in the representation of the State of Mississippi? He contended that it had, and held that "happening" might refer as well to a thing foreseen or foreknown, as to a thing not foreseen or not foreknown.

Mr. B. then referred to a case of vacancy which occurred in an office which was to be filled by the Executive under the following clause of the constitution, as a parallel case: "The President shall have power to fill all vacancies that may happen during the recess of the Senate, by granting commissions which shall expire at the end of their next session." The vacancy had occurred during the session of the Senate, but, from some cause or other, was not filled up, and the Executive, having some doubts as to whether he had the right to fill the vacancy, took the opinion of Attorney General Wirt on the matter, and he placed this construction upon the word "happen." His opinion was, "that the President had the right to fill any vacancy which might happen to exist in the recess of the Senate." There was another case in which the gentleman from Massachusetts, [Mr. ADAMS,] while President, had filled the office of Navy Agent under similar circumstances. In the case of Gwyn there was also an able opinion of the Attorney General of the United States on this subject; and the ground taken in that opinion was, "that if it falls out that any office is found to be vacant, then the President may fill it." Thus it appeared to be the common construction of this clause, that if there happened to be a vacancy during the recess, the President might fill it.

He contended further that the laws of Mississippi could not deprive the people of Mississippi of a part of the rights which were guarantied to them by the constitution, and went into an examination of a variety of cases to rebut the arguments adduced by the gentlemen who opposed the report, and in support of the position he had taken.

At this stage of the proceedings, without taking the question, the House, on motion of Mr. CAMBRELENG, passed to the orders of the day.

FOURTH INSTALTENT BILL.

The House then proceeded to consider the "bill to postpone the fourth instalment of deposite with the States," reported last night, without amendment, from the Committee of the Whole.

Mr. DAWSON, who was entitled to the floor, yielded it to Mr. CAMBRELENG, for the purpose of enabling that gentleman to make an explanation in reference to an interrogatory addressed to him by Mr. D. last night on the condition of the New York banks.

"Mr. CAMBRELENG said, with the permission of the gentleman from Georgia, he would explain more fully his answer to one of that gentleman's questions last evening, concerning the condition of the banks in the State of New York. He did not mean to be understood that any of them, strictly speaking, were insolvent, or that they could not ultimately pay all their debts. He had referred to the Dry Dock Bank, which was placed by the Chancellor in the hands of receivers, and to the heavy losses sustained by many of the banks in the late revulsion. By reference to the Treasury report, it would be seen that one of the city banks alone had twelve hundred thousand dollars of suspended debt; yet even that bank would in a few years restore its capital to its original amount by its collections and profits. He had merely intended to express the opinion that the actual capitals of many of the banks had been diminished during the revulsion. He begged to be understood as entertaining no hostile feelings towards the gentlemen interested in these institutions, nor to banks, as the mere agents of trade; but to that legislation which is perpetually and improperly interfering with this as well as other branches of trade. His hostility was exclusively directed to this mischievous and corrupting interference with the business of men, which was not among the legitimate duties of Government."

Mr. DUNCAN and Mr. WHITTLESEY, of Ohio, also said a few words in mutual explanation, but in no way varying the statement of last evening as to the perfect solvency of the Ohio banks.

Mr. DAWSON resumed by saying that it was not at his own solicitation the House adjourned last evening, for he would willingly have concluded his remarks then, much as he regretted the unpleasant necessity of sitting at such unseasonable hours.

Mr. D. continued: Mr. Speaker, I shall again resume the subject, and shall endeavor to confine my remarks closely to the matter we are investigating. With your permission, sir, I will just repeat the substance of what I stated last night. It was, that the Secretary of the Treasury had announced to the American people that the Treas-

ury of the country was now full of funds, but that they were not available; that he asked Congress to be supplied with $10,000,000 to carry on the Government; and that this application to the discretion of Congress the chairman of the Committee of Ways and Means had confirmed, and also asked a similar amount for the Government. Now, sir, I assume this position—for I desire this matter well understood, since I stand alone here from the State I have the honor, in part, to represent—I then ask, sir, what is to be done with the unavailable funds, if we make this appropriation of $10,000,000 required of us? The response will be, the only response can be, that they must remain—where? In the deposite banks. If then, sir, they are to be unavailable to the Government—and I wish the question to be fairly understood—if the Government can go on without these unavailable funds, what earthly necessity, what earthly advantage, will it derive from the postponement of the fourth instalment? They tell you they do not desire any portion of it; they do not wish to use one single dollar of it, in the event of your granting the sum of $10,000,000. Then, sir, this postponement of the fourth instalment will not even be required by the Government. Then, if it will be of no advantage to the General Government to grant this postponement, would it not be of immense advantage to the various States to have the use of this deposite money?

But gentlemen say that the States will not receive the bank paper of the other States, in which the money is deposited. Have you tried them, sir? It is urged that you cannot divide the money among the States, because it is unavailable. Sir, there is, in my view, no difficulty upon this branch of the question at all; and why? Because the deposite law of 1836 requires the funds in the Treasury on the 1st of January, 1837, to be deposited with the States; and, whether the money be available or not, whether in bills or notes, or in specie itself, or in any kind of funds, available or unavailable, still the States have the right to become the depositories of the public money therein provided for, if they desire it, without regard to its kind or character. Sir, this is an argument merely for effect, and is not founded at all on the deposite act of June, 1836. The idea that the States will not receive it, is a mere gratuitous anticipation, a mere assertion without the shadow of a reason for its support.

Again, sir: the ten millions will grant instant relief to the Government, for the Secretary will not require the use of a single dollar, which shall be in the deposite banks, or due from the merchants, even if the whole of it becomes available within three weeks after the passage of this bill. Is not this proposition true, sir? It cannot be denied. I ask gentlemen to respond to this interrogatory—will he have any use for that money? None, sir, none. This bill provides ten millions of dollars for the Government to pay its appropriations, its officers, and its agents; and this is all the Government requires. We are affording the means to do this, without reference to the money in the State banks.

Mr. Speaker, what is the next link in this chain of relief, having a connexion with this postponement bill? It is the bill to grant indulgence upon the bonds due by the importers to custom-houses. And what amount do the merchants owe this Government? About nine millions of dollars. Now, sir, I propose, in investigating this subject, to present all these facts fairly to the people whom, in part, I have the honor to represent. I ask this question, therefore; pass this bill proposing indulgence on merchants' bonds, and whom does it relieve? It relieves the importers, an isolated class in the cities of New York, Philadelphia, and Boston; and whether they be located there, or abroad, or whether they consist of the foreign manufacturers, it relieves them alone, and that indiscriminately. What aid, let me again ask, will that bill afford the retailing interest of the country? None, sir. What aid will it extend to the agricultural? None. What to the consuming interest? None, sir, none. The importer derives all the benefits of the indulgence. Sir, is this equal? Is it just legislation? Is it doing to others as you would be done by? These are questions the people will examine and investigate. By whom are the duties finally paid? By the consumer, and by him only. He pays the retail merchant, and the retail merchant pays the importer; yet you grant indulgence neither to the consumer nor to the retail merchant, but to the importer alone. This, sir, is what I call not only partial, but exclusive legislation, and in favor of a class which bears but an insignificant—hardly a discernible—proportion to the consuming, agricultural, or farming interests of the country; and if these large classes of the people were forced to rely on this bill for relief, they would be in a truly lamentable condition; and yet we are told this is a bill granting relief to the people. But mark me—I take no ground at this time for or against the merchants; I am only showing the fallacy of calling the measures before us a system for the relief of the people.

What, sir, is the next link in this chain of relief submitted by the Chairman of the Committee of Ways and Means? He says, grant indulgence to the deposite banks. Upon what principle? For receiving specie, paid under the specie circular or specie order, in payment of the public lands, and then dishonoring the Government drafts? Sir, I might here take occasion to examine the specie circular, and inquire into the means by which it was evaded, and why it failed, and how it failed, in depositing specie in the banks; but I will not at this time, because it would be foreign to the subject I propose to investigate. But, sir, I will ask, have gentlemen fully examined the profits and advantages that will be derived to the deposite banks from this indulgence, if it should be granted? If so, then I will ask them, will they do injustice to the other banks of the country, and especially to the deposite banks which have honestly and faithfully fulfilled all their engagements? Have gentlemen made this examination? Have you examined into the fact that you are holding out a premium, paying a reward, and doing an act of injustice to others, in order to provide for the relief of those who have violated their faith and broken their engagements? Have gentlemen taken into their calculations the enormous contrast between the conduct of the banks in some of the States and that in others? Do they know that the deposite banks of the State of Mississippi have in their vaults, or on deposite rather, upwards of seventeen hundred thousand dollars belonging to the Government? that the banks of Louisiana have nearly a million and a half? the States of Alabama and Ohio each over a million? Have gentlemen asked themselves the question, is not this money pledged?—is not this money ordered to be deposited with the States? I will read to the House a very short statement, showing the contrast between the amount of public money deposited in some of the States with that in others.

The deposite banks owe the Government as follows:

1 Misssissippi	$1,744,373	14 Maine	$257,584
2 Louisiana	1,440,023	15 Georgia	172,269
3 New York	1,400,670	16 N. Carolina	146,030
4 Ohio	1,127,979	17 S. Carolina	111,590
5 Alabama	1,020,856	18 N. Hampshire	114,326
6 Michigan	998,050	19 Massachusetts	81,278
7 Kentucky	843,246	20 Illinois	39,693
8 Indiana	782,925	21 Connecticut	20,461
9 Missouri	589,327	22 Rhode Island	21,024
10 Tennessee	514,515	23 Pennsylvania	8,428
11 Virginia	403,136	24 Delaware	2,906
12 New Jersey	320,674	25 Vermont	588
13 Maryland	280,198		

Does this statement not show extreme inequality, great

injustice, partiality, and grounds for dissatisfaction and complaint, if this body shall permit the public money, notwithstanding the deposite law, to be so unequally distributed?

Let us compare. The surplus, by the deposite law, is required to be distributed among the States, according to the number of Senators and Representatives. Mississippi, with two Representatives, has of the public money $1,744-373; whilst Georgia, with nine Representatives, has only $172,269—the State of Mississippi more than ten times as much as Georgia; and yet Georgia, under the deposite act, is entitled to four times as much. And, sir, you will remember that the deposite banks in Georgia (at least two) are, and have continued to be, specie-paying banks; and by this time, it is thought, have fully paid over to the Government every dollar, or nearly so. Is this not too unequal?

Again: Massachusetts and Pennsylvania have in deposite only $89,706 56, whilst Mississippi and Louisiana have $3,184,396 74; and the proportions of the former being to the latter as 44 is to 9.

Again: Georgia, South Carolina, and North Carolina, adjoining States, have, in all, $429,889 86; whilst Alabama, Mississippi, and Louisiana, also adjoining States, have $4,205,253; the proportions of the former being to the latter as 37 is to 16.

Again: Ohio has $1,127,979 50, and Georgia $172,269 69; and, perhaps, by this time, not a dollar; for, of the five deposite banks which the Secretary of the Treasury reports as specie-paying banks, two are in Georgia.

Sir, is it not evident, from these representations, from this statement of facts, that we are about to legislate unequally, unjustly, and unfairly, if we pass this bill? In argument it is admitted that the money in the banks will not be wanted for the necessities of the Government, when we grant the ten millions of Treasury notes.

But one word to the gentleman from Ohio. He says there is no pressure in the neighborhood of Cincinnati. No, sir! Then I want the world to know that, notwithstanding the President of the United States has called us here, and told us that the country was bleeding and suffering under embarrassment, still there is one green spot in this wide confederacy enjoying all the prosperity that can be desired. Why is it, sir? I will tell you. The single town of Cincinnati, in that gentleman's district, has one million of the public money in her banks, and, of course, loaned to her people—or perhaps to three times that amount of loans to the people upon the million in her banks. Sir, this is a strong inducement to operate upon the minds of gentlemen in voting upon the measure under consideration, though I have no idea that the gentleman from Cincinnati would suffer a thing of this kind to influence him; money, however, Mr. Speaker, will have its effect.

Well now, sir, let us compare Ohio with Georgia in relation to this matter. Georgia, with her deposite banks, has paid nearly, if not quite, every dollar; and to make them able to fulfil their engagments with the Government, and to perform honestly what they had agreed to do, these deposite banks had to draw from the people, and of course press them; and for this honest course of conduct, what is to be meted out to her? She is still to be oppressed. Do not gentlemen who take ground in favor of this bill, discern the injustice of its passage?

Can I be mistaken in representing the interest of my constituents, and other sections of the country, by an opposition to this measure? No, sir, I know I cannot be mistaken upon a question where honesty and justice are involved. Like all men, I have my feelings; I am capable of knowing what is right and what is wrong—what to do here and what to do there. Sir, Georgia is to receive a fine reward at your hands for fulfilling her contract honestly! Sir, let me tell you, this is a fine specimen of Congressional legislation! Let me ask you, sir, let me ask gentlemen on this floor, would it be patriotism for me to yield up the rights of the people I represent, in this way? Sir, you may cry out patriotism with your lips as much as you please; it requires me to make no such sacrifice. You may represent, gentlemen, the prosperous condition of your particular sections of the country; but I tell you, it is a prosperity gained by the public deposites—it is a prosperity procured by an unequal distribution of the public money.

Mr. Speaker, has this House come to the conclusion to take the fourth instalment away from the States? and for what? To leave it in the hands of those who have it; and three or four States have one-half of the whole deposites of the country! Is this to be only a postponement, Mr. Speaker? I apprehend not, sir. I apprehend it will be indefinite. Yet this is called a measure of relief? It is partial relief—relief of one class at the expense of another. Sir, there is not one single principle in the whole proposition founded upon a patriotic view of the subject, or consistent with equality among the States. It is doing more than justice to one, and withholding it altogether from others. It is narrow and contracted legislation, to benefit and relieve corporations at the expense of the honest people of this country. I am not opposed to the banking or mercantile interest; on the contrary, I am willing that relief should be extended to every interest; but the deposite banks and merchants having been vilely abused, it is to make some little atonement to them, that these bills, for their exclusive benefit, (I allude now to the bills extending indulgences,) are to be passed, at the expense of every other interest.

Well, sir, presuming all these bills pass, I return to my constituents, and they ask me what I have done for them: what shall I answer? Shall I answer in the language of the gentleman from Ohio? Shall I say to them, Oh, yes, we have been most nobly and patriotically engaged. We have felt your oppression; we have sympathized in your distresses; we have seen the difficulties brought upon you by the Government; we have mourned over your situation, and have almost wept tears for your afflictions! Well, what have you done? Why, we have passed a bill to relieve the Government, by authorizing the Secretary of the Treasury to issue ten millions of Treasury notes. Very well; what else? We have passed a bill to relieve the importing merchants. Well, what else? Why, we have passed a bill to relieve the pet banks from the payment of the public money deposited with them. Well, but what have you done for us? Nothing, sirs; nothing at all! That will be the answer. Then, sir, will they reply, You have relieved the officers of the Government. Oh, yes, we did that. And you have indulged the banks. Yes. What! indulged those very banks which General Jackson denounced, in such strong terms, as having violated their faith, and being no longer worthy of the slightest confidence? Yes. Why did you do it? Now, sir, how can I reply to that? I tell you, sir, there will be a burst of feeling among the people on this subject; and this administration have mistaken their ground, if they imagine their acts will meet with approbation. It is all a mistake, sir, And why is it a mistake? Because it is not right. Because it is not just. Because it is not doing equal justice to all, but is benefiting one class and section of the country at the expense and to the wrong of others. My constituents will ask me, Where is the fourth instalment we were to have had? What have you done with it? Why, I must reply, gentlemen, did you not see the President's message, where it was recommended that you must postpone it? Did you not read the report of the Secretary of the Treasury, wherein he said it was wrong to pay it, and it must be left with him; that is, in the banks. And do you not know that he and the President both were against your having it from the beginning? Well, they reply,

what have you done with it? You passed a bill to issue ten or twelve millions of Treasury notes. That was for the relief of the Government. What have you done with our money—our fourth instalment? Oh! we left that with the banks. Left it with the banks! why, who told you to do that? Why, Mr. Van Buren, and his Secretary, and the chairman of the Committee of Ways and Means! [A general smile.]

Mr. Speaker, I have not drawn this picture to excite laughter. No, sir. It is a melancholy truth. I insist upon it, sir, that this whole machine, this entire system, is a violation of the rights and equal justice of this country. And, say the people, you have left the whole of our surplus money in the banks; well, in what States are the banks? Why, they are over in Louisiana, and over in Mississippi, and over in Alabama, and in Indiana, and in Ohio, and in Michigan, chiefly. None in Georgia? No. Sir, these are all very hard questions, which will be presented by my constituents to me when I return; and the only answer I can give is, that I stated to the Speaker, I stated to Congress, my objections to this bill; I pointed out this inequality; and there was not a man in the House dared to deny it; and yet it was all of no use.

But, Mr. Speaker, I am not going to contend for the power of this Congress to relieve the distresses of the people; for I do not believe in the constitutional power of this House to raise money to give to the people. I only believe in a parental regard this House should have for the wants of the people, and, if any means can be devised, within our constitutional limits, that they should be. And we have the means of constitutional aid; and all we want is the inclination and the spirit to come up and do it, in spite of any mandates to the contrary, come from what quarter they may. That is all, sir. That is the only thing necessary for us to do. Uninfluenced by party, as the representatives of the people, and of them alone, let us do what we can.

Well, sir, what can you do? Why, you can pay the fourth instalment, which you plighted your faith to pay. But, it is said that the deposite will not be received in the only mode by which the Government can pay it. Sir, is there a gentleman upon this floor, and, if there be, let him rise in his place and say that his State will not receive its portion of the surplus in good solvent bank notes of the States. There is not a gentleman who will do it. I have no doubt every State would receive them. Why, sir, look at the fact, from Maine to Louisiana; for the question has been propounded by me to every State in the Union, and the answer given, that the deposite banks are all solvent, from one end of the country to the other. But they say they have not specie enough to pay all the States. Well, where are the States of this Union, whose circulating medium consists of specie? Where the States, whose commercial operations are carried on solely and exclusively through that medium? None. It is all a paradox. These bank notes are good. Alabama notes, how are they? They are owned by the State of Alabama, which is interested in all her banks. All the property in the State is pledged for their redemption. And who receives the profits? The State. Think you that the State of Alabama would fail to act with becoming magnanimity and honesty towards the other States? An imputation to the contrary would be injustice to her high character for punctuality as a State. So with Louisiana, Mississippi, and the other States having in their banks large amounts of Government deposites. They would surely act fairly to their co-States. The deposite banks would not dare attempt such an outrage as to refuse to make satisfactory arrangements with the States. Let Congress refuse to postpone the distribution of the fourth instalment, and the banks will soon make the settlement with the States.

Gentlemen charge the opponents of this measure with a disposition to embarrass the administration of Mr. Van Buren. Why should I desire to impede his policy? If the administration pursue that course which accords with my principles and views, so far I will sustain it; when it fails to do so, I will oppose it. If I were capable of any other feeling, I should be unfit to be a representative on this floor. No, sir; I will endeavor so to act as to be just; and to have fair, honest, even-handed justice extended to my constituents.

But, sir, let Congress refuse to make the deposites with the States, as required by law, and justice will not be done. Such are the necessities of the country at this time, that, unless something be done, many of the States cannot, with any convenience, carry on their usual commercial intercourse. The West and Southwest usually supply the Atlantic States to the South with stock, during the fall of the year; and such is the condition of the currency at this time, that great perplexity will be the consequence. The specie is all locked up; no United States Bank notes; no Western money; all belonging to the Government in deposite in the Western and Southwestern banks. Supply the States, distribute the fourth instalment, and they will take the paper of those States, in whose banks there is, as I before showed you, a superabundance of the public funds. But, sir, this kind of talk, of the notes of your deposite banks being unavailable for the payment of the fourth instalment, will not do. You may make your "Globe" speak what it will, but it will not set aside the honest judgment of the people, especially when they know you have done an act of injustice. You cannot deceive them much longer; it is out of the question to do it; and it is ignorance of their intelligence to believe it.

These bank notes, being put into circulation, would be great relief to the people of the States; they will add to the circulating medium. Bank notes are the only means now in the hands of the citizens to transact their ordinary business. It is idle, sir, to attempt to justify this postponement by the allegation of the inconvertibility of the bank notes of the State institutions. Yes, sir, the people are told that the country has been overcome by distress, weighed down by overtrading and speculation, and that they ought to be aided and assisted; they are told that the Government has bank notes in great abundance—solvent—but they ought not to be circulated; that specie cannot be obtained for the States; and, therefore, they must have nothing.

I repeat—let any Representative on this floor answer me—are not bills of the deposite banks of every State of this Union good? Yes, they are; and the people of these States know it.

Sir, there is another question, coupled with this, that belongs to the States. The very moment you proclaim, through the papers of this country, that the banks are indulged from the payment of a debt, (which debt is a specie debt,) and tell the people these banks that have the money have loaned it to speculators to buy up the people's lands, as charged by the gentleman from Ohio, and have only notes for it endorsed by persons, many of whom are important functionaries, they will fire with indignation at this interposition of the administration, if the fourth instalment be postponed.

[Mr. HAMER begged Mr. D. to give way for a moment. Mr. H. said he made no distinction between the banks West and East. He said that the banks had a large amount of public money in their possession, and that they had loaned it out to merchants and speculators. He meant to draw no invidious distinction between the banks East and the banks West.]

Mr. DAWSON. Yes, sir, I was not mistaken, nor have I misrepresented the gentleman.

I repeat it again, sir; this very movement will seriously affect the State institutions. It will stab their popularity among the people. And have I not a right to raise the

suggestion here? I call upon the friends of the States, the friends of the rights of the States, to mark it well. The State banks must be prostrated, say some gentlemen; and the first step to secure their prostration is to make them the peculiar favorites of the Government, by indulging them and making them unpopular among the people. This is the first step in the march. Then they "will have the banks upon the hip, and will keep them there," as the gentleman from New York said during the past summer.

If this be the object, I then inquire, Mr. Speaker, will not the postponement of the fourth instalment be an immense and incalculable injury to the States? No doubt of it. And, sir, it will not expedite the resumption of specie payments. Why not? Let me explain. The postponement carried, the banks will still resist payment. What care they? The debt still exists; how are they to pay it? They have not specie to do it with; and how can they do it, if the Government continues to require specie, which is a professed object of the postponement and the indulgence?

To get the specie, they must curtail their issues; call in their notes, by reducing their credits; thereby pressing their debtors, decreasing the circulating medium, and consequently increasing the commercial embarrassments, and, of course, depreciating the value of the agricultural productions of the country.

But, sir, let the fourth instalment go to the States, and these difficulties will, in some measure, be avoided; the bank notes will go into circulation, and the people be aided, and to some extent relieved. The banks can then indulge their debtors without apprehension, and have no fear of the approaching day when specie shall be required *en masse* by the Government; and I feel confident that this course will better suit the present condition of affairs, and the existing state of things, than any other. It will be an act of sheer justice to the whole, and be, in my view, a partial discharge of the duty we owe the States.

Sir, if the money were absolutely required by the wants of the Government, I would vote for this bill.

Mr. Speaker, I will not at this time go into the subject of a divorce of this General Government from banks. I will only say that I have my doubts both of its expediency and practicability. But, when the occasion arises, I shall then be willing to express my views upon it; and, in the mean time, shall give the subject my calmest deliberation.

Then, sir, in conclusion, I aver that this postponement will be no relief to the Government, no relief to the people; but, on the contrary, inflicting an injury upon them; that the measure to grant indulgence to the importers is a measure which is local in its character, personal in its nature, partial in its operations, and of no general relief to the country; that the indulgence to the banks, as proposed in another bill, is equally partial in its relief to the country: and I claim, in conclusion, the right of having the deposite act of 1836 executed according to the intention and meaning of the Congress which passed it, pursuant to the requisitions of justice and equity.

Mr. TOWNS addressed the House as follows:

Mr. Speaker, I would not have risen, after the protracted discussion we have had, but for the very remarkable speech of my colleague, [Mr. DAWSON,] who has just taken his seat Sir, I have no expectations to fulfil, no vanity to gratify. But when my colleague thinks proper to address his and my constituents, rather than the members of this House, with the view, doubtless, of operating on them, it shall be my duty to examine the correctness of his argument, and to expose whatever errors may be suggested to my mind. For my honorable colleague, I now do, and trust I ever shall, entertain the kindest personal regard; but when he rises on this floor, and uses unauthorized denunciations of measures and motives, I feel that circumstance a sufficient apology for the time I shall consume.

Sir, when my honorable colleague rose to address the House last night, he gave us to understand that he brought no party feeling to the discussion; that he should alone confine himself to the bill on your table, and give the reasons that would induce him to vote against that measure. I think the gentleman was unfortunate in this remark. Why should he have thought proper to give notice that he was about to discuss this subject without regard to party? What act of his political life would have exposed him to a suspicion so uncharitable? It is true, I believe, sir, that my colleague is always found acting with one political party against the other, but surely no one could suppose this to be the result of party feeling! For myself, I have known the honorable gentleman too long and too well for the disclaimer of party feeling which he placed in the front part of his speech to mislead or deceive me. My colleague, at an early part of his remarks, if I understood him correctly, maintained that the funds, now in the deposite banks, were available for all the purposes of the respective States, as well as for the exigencies of the General Government; and the better to fortify himself in this position, he propounded questions to members from different States in which the banks are situated, with a view to show their solvency. The information thus obtained was deemed amply sufficient for the purpose of my colleague.

Sir, it is not the ultimate solvency of the banks that we are looking to, but it is whether the banks can now, on demand, pay the amount on deposite, in such funds as would enable the States to use it profitably. Has my colleague established this important fact? I think not, sir. In some of the States, where there are large amounts in the deposite banks, it may be to the interest of the people of those States, that the deposite of the fourth instalment should be made, for it is manifest that some of the States would be benefited, while a majority would be injured. My colleague insisted, and properly, too, that the funds in the Treasury of this Government, in January last, were alone the funds that could be deposited, and which were composed exclusively of the notes of the deposite banks, and such other local institutions, the paper of which was received on deposite by the pet banks, as they are called. My colleague then, after having satisfied his own mind (rather better I think than that of any other) of the solvency and availability of the funds now in the deposite banks, in the accustomed taste and manner of the day, poured fourth his lamentations over the ruined and wretched condition of the whole country, brought about by causes he did not pretend to explain. This picture, so fancifully drawn by some, and so faithfully repeated by many others, was well rehearsed by my colleague, and, as is usual with those who can see in the times evidence of folly and wickedness in the present administration, and the necessity of rescuing the people from themselves, he declared himself in favor of relief. And, sir, what is the relief he would give? Who is it he will relieve? And what is his mode of relief? The first step in my colleague's great scheme of relief is, by depositing with one hand the fourth instalment, amounting to upwards of nine millions of dollars, with the States, when, with the other, in order to relieve the Government, he would have to take back not only that very fourth instalment, but also a large proportion of the sums heretofore deposited. This, sir, would be one of the consequences of rejecting the bill on your table. It surely cannot be the object of the honorable gentleman to cut off all supplies to the Government! It is not, I hope, his purpose to bring the Government to bankruptcy! Much less will he consent to bring disgrace upon the institutions of the country, and more especially, as he tells us he has no party feelings to gratify! Patriotism imperiously demands of every member on this floor to deal fairly between the Government and the people; for if you cripple and dishonor the one, you disgrace and enslave the other.

Sir, what are the demonstrated, and I may add virtually conceded, facts as regards this question? First, sir, that all the funds now in the Treasury, available and unavailable, do not much exceed eight millions. Of this there are less than two millions strictly available; and now my colleague is fretting and chafing, because we will not consent to deposite with the States upwards of nine millions, when we have only about eight in the Treasury, and a very large proportion of that not available. And, sir, because the party in power will not do this, he has been pleased to characterize the course of the administration as a "humbug upon the people." Sir, this brings me to perform an unpleasant duty. I regret it, but my colleague has brought it on himself. He charges every motive but the correct one, upon those who vote for this bill; he alone claiming the credit of unmasking the wretched deformity of those who advocate that measure; and showing, by a report from the Secretary of the Treasury, the gross inequality and injustice of this bill. However high I may estimate the opinions of my colleague on most subjects, I cannot, after the evidence he has furnished against himself as a financier, bold any opinions of his as unquestionable authority on that subject. Is it not in the recollection of every gentleman on this floor, that my colleague, when this bill first came up for consideration, offered an amendment, the first, as I presume it will be the last, of its character known to the legislation of this country? What could have been the object of the gentleman in offering that amendment? Was it because he really believed that the unexpended balances of former appropriations, estimated by the Secretary of the Treasury at about twenty-four millions, was evidence of that sum of money then in the Treasury? No, sir, my colleague knew that these twenty-four millions of unexpended balances of former appropriations were a charge now existing against the Treasury. Either he must have known this, or the fact of his not knowing it will essentially destroy the confidence which would otherwise belong to his statements as to the condition of the Treasury. If, sir, I am right in supposing he understood what the Secretary of the Treasury meant when he speaks of the unexpended balances of former appropriations, as a charge against the Treasury, I ask the gentleman, in all candor, who it is that has attempted to "humbug" the people? He well knew he could not "humbug" this House; and I therefore have a right to conclude that he wished to "humbug" his constituents. And yet my friend from Georgia will have it that the friends of the administration, believing that the resources of the Government are adequate to meet all the engagements and liabilities of the Treasury, are nevertheless disposed to withhold from the States the last instalment under the deposite law. For myself, sir, I am free to admit that I was as much opposed as my colleague could be to the passage of this bill until proof was adduced, most conclusive to my mind, that there was an actual deficit in the Treasury. Could I longer doubt as to the course I was bound, from every consideration of patriotism, to pursue? On the one hand stood your Treasury depleted, disarranged, and disordered—stripped of all its resources by the sad revulsions in trade and commerce—with the Secretary asking Congress to give such facilities as the exigencies required; and on the other the States urging that the last farthing in the Treasury should be deposited with them for safe-keeping. What, sir, would be the duty of the Secretary of the Treasury if the bill now under consideration be rejected?

In the first place, he would be required to deposite money which is not in the Treasury, and the deficit would have, of necessity, to be supplied by a loan, and then the principle would be fully established, that this Government will borrow money to loan or give the States, that they may appropriate the same to all the purposes of internal improvement. Is my colleague prepared to sanction this doctrine? Is he prepared to see works of internal improvement carried on by a system of legislation that would beggar the South and enrich the North? I should hope not. Yet, sir, if this bill be rejected, we shall be compelled to create a loan in the first place, to be discharged hereafter by an increase of duties on foreign imports. The tariff, so justly odious to the Southern interest, would be increased in order to discharge the national debt which would be the consequence of further continuing the policy of the deposite act of June, 1836. Have we not witnessed enough during the progress of this discussion, to awaken the fears of every Southern member on this floor? Look, sir, at the course of debate on this question. For the first few days the bill was resisted on the ground that gentlemen were unable to come to satisfactory conclusions, from the report of the Secretary, as to the actual condition of our finances. This ground was taken and insisted upon by every gentlemen who opposed the bill. An honorable gentleman [Mr. Briggs] who addressed the House some days since against its passage, declared himself so much bewildered and embarrassed from the humbuggery report of the Secretary, that he appealed to one of the committee [Mr. Hamer] "to remove the shadow from his eyes." I am unable to say whether the gentleman from Ohio has yet performed that operation. I apprehend, sir, that in order to operate with success upon the gentleman from Massachusetts, [Mr. Briggs,] you should observe the preliminary treatment of all skilful surgeons, first to prepare the system, which in this case could only be done by removing the money from his reach. No, sir, when money is in the way, "shadows" will rise, and in vain can we hope to approach a subject in that clear light so important to the best interests of the people. But, sir, it is a curious fact, well worthy of remembrance, that all, or the most of those who have opposed this bill, on the ground that they could not understand the report of the Secretary of the Treasury, were able to understand, with great clearness, that the deposite act of June, 1836, was a *bona fide* contract, entered into between this Government and the States, whereby upwards of thirty-seven millions of money was to be deposited with the States; and that the faith of this Government was pledged to make this deposite, whether in point of fact there was a surplus or not. Sir, the first ground taken in the debate was abandoned. The second was then assumed, that this law was a contract, and that the public faith and good morals demanded a fulfilment of it on the part of this Government. When I advert to the period when this law was passed, and the arguments then advanced in its favor; when I recollect that a large majority of all parties then united in the measure, which they professed to believe necessary, to guard against the alleged Executive patronage, in converting the money to improper uses; when, sir, I remember that these arguments, enforced as they were by all sides of this House, failed in convincing me that the principles of that bill were not dangerous to the people and to the Government, I cannot but feel gratified that none of the responsibility of that measure rests on my shoulders. But, sir, the last ground taken in this debate throws off all disguise, and places this question on a new and still more objectionable ground. Have we not heard loud rejoicing at the humbled and prostrate condition of your Treasury? Have we not been given to understand, by the avowed friends of the American system, that they can and do perceive the revival of the principles of that system in the rejection of this bill? Have you not heard that the financial measure of this administration had exploded, and upon its ruins would be erected a new system, against which my colleague and myself have been equally opposed? Is there not enough in the signs of the times to deter my colleague from pursuing any course that may again give pretext to any portion of the representatives of this Union to increase

the tariff? Sir, upon no principle consistent with the elevated stand the South should occupy on this floor, can we justify the rejection of the bill on your table. I deeply regret that my colleague should have thought it his duty to have discussed this question on the ground of preserving the "rights and equality of his constituents." Sir, who is opposed to the rights of their constituents? That is not the question. It is, how can we best protect their rights? My colleague's plan would be to pay them the fourth instalment in the funds of the banks of Alabama, Mississippi, Ohio, Kentucky, and Indiana, on which they would lose from fifteen to thirty per cent., as he well knows that the paper of the banks of those States is not current in Georgia, and if used at all, must be converted into other funds through a broker. But this is not all; the people would be required to return this very money in specie. Surely my colleague would not desire to bless his constituents with a calamity so great!

Mr. Speaker, when my colleague endeavored, by his argument, to show that all the people of Georgia required was money, regardless of consequences, or the principles involved in their receiving it, I must confess I felt humbled, and that the true spirit of the people I represent in part had been unfairly stated to the House and to the nation. No, sir, it is not money that we want; we desire a free Government—a Government administered upon principles securing every man in every portion of this Union in the enjoyment of his property and the fruits of his industry. No, sir; my colleague has underrated our constituents, by placing this question on grounds too narrow. Sir, a more high-minded, generous, and patriotic people than those represented by the gentleman and myself, in part, do not breathe. When, in their history, and to what period of their existence, was it ever known that they sat down upon the selfish and sordid calculation of dollars and cents, when the public welfare was involved? Go back, sir, to the remotest period, and let my colleague tell when great constitutional and legal principles were involved on the one side, they ever looked to the petty, wretched, pitiful consideration of money on the other? Sir, I will not dishonor their high and exalted claim to patriotism, secured by an uninterrupted course of public measures and political principles, by addressing an argument to feelings which I have yet to learn they possess. No, sir; as my colleague has supposed, on his return to his constituents, he will be asked to give his reasons for the vote he may give on this question, I ask him to tell, what is now placed beyond doubt, that, so far from there being a surplus in the Treasury to deposite with the States, there is an actual deficit of several millions; that, so far from the Government being able to make the fourth deposite, we are compelled to issue Treasury notes to meet the current expenses of the Government; that, if we do not withhold the fourth instalment, we will be compelled to borrow three or four millions to enable the Secretary of the Treasury to carry into effect the law; and, after telling them this, he may say that, so far as Georgia is concerned, the best he could do was to get Alabama, Mississippi, Indiana, and Ohio paper; and, above all, let him tell them that, if he votes against the bill, he admits, by that vote, that a power exists in this Government to tax the people to raise a surplus to be distributed among the States for works of internal improvement! Let my colleague tell this, and I am not afraid to meet the judgment that may be pronounced upon the vote I give by my constituents. With no expectation of addressing the House to-day, I have, Mr. Speaker, in a desultory manner, attempted an answer to the argument of my colleague; and, sir, in conclusion, if my counsel could prevail, I would beg him to re-examine the whole question, and renounce at once the errors into which he has fallen.

Mr. GRAVES next arose and said: The House is fatigued with this discussion. The subject itself is exhausted, and I am fully persuaded there is no desire to have the discussion protracted by me. Of all situations, none is less enviable, or more inauspicious to a public speaker, than that in which he is compelled to address an unwilling audience. And were I to consult my own inclination or prudential considerations, I should not obtrude a single remark upon the House at this late period of the discussion. But such are the peculiar relations which this bill bears to my State, and particularly my district, that I do not feel authorized to allow my individual inclinations to predominate over a sense of imperious duty.

This bill, and that which the other day came to this House from the Senate, proposing to authorize the Secretary of the Treasury to call in from the deposite banks all the public deposites in specie, in the short space of four, six, and nine months, should have been embraced in one. They are dependent upon each other; one is useless without the other, and hence they have been, and I shall continue to treat them in this debate, as one and the same.

The State of Kentucky, from the time it came into the Union up to the present year, has never had one dollar appropriated in her borders, whilst she has contributed her full share to the public treasury. This, I am apprized, mainly grew out of her position; and she was content, whilst the national debt was in the course of liquidation, to wait until it was discharged, under the opinion that then there would annually be a large sum in the Treasury, to be appropriated to works of internal improvement, in which she expected to share. But when that long and much-desired day rolled round, when the public debt was paid off, for causes which it is not my purpose here to notice, the Middle and Western States soon became satisfied that, for a while at least, they must not hope to share in the disbursements of the public revenue for purposes of internal improvement.

They submitted to their fate; for they saw an irrevocable mandate had gone forth from one who was all-powerful, and never revoked what in wrath he once said. Many of the national republicans, whose favorite objects were disappointed by the position taken by General Jackson, in his veto of the bill making appropriations to the Lexington and Maysville turnpike, and other objects, have changed their opinions upon the subject of the policy of the General Government making appropriations for, and carrying on, works of internal improvement; because they think the experience of the last eight years has shown that the President, without the patronage and power incident to carrying on, in the States, internal improvements, wields quite as much political influence as is consistent with the perpetuity of our free and republican institutions. And I am free to avow that I myself very much question the policy of the system of internal improvements by the Federal Government, of which I was once so zealous an advocate. I desire now, as much as I ever did, to see the condition of our country ameliorated, and its resources developed by the formation of roads and canals; but, as much as I desire the accomplishment of this grand object, I prefer to forego it, and let the States erect their own works, to seeing the power and patronage of the President increased to an extent to which large appropriations to this object would necessarily enlarge it.

But, whilst these States reluctantly were driven from their favorite object by these paramount considerations of patriotism, they claimed to have divided among the States the proceeds of the sales of the public lands, with which to enable them to prosecute their public works, under the auspices of their own Governments.

The land bill, memorable not more for its importance than for the new era which it furnished the subject of, in the history of the exercise of the veto power by the President, was brought forward by its distinguished author; its fate is recorded upon that page of this country's history upon which, of all others, the first despot who ascends a throne in this country will look with greatest pleasure.

There remained in the Treasury on the first day of January, 1837, upwards of $44,000,000, notwithstanding the efforts of the friends of the administration to keep down the surplus in the Treasury by appropriating in the last two sessions upwards of $70,000,000; by which they hoped to prevent the people from demanding a distribution or a land bill. They saw the people would never consent to have forty or fifty millions of dollars lying idle in the Federal Treasury, whilst they, through their State Governments, had borrowed millions and millions at interest to make roads and canals. They finally gave their consent to the deposite act, which, practically, every friend of the land bill thought to be the accomplishment of his own scheme under a different name. The deposite act at length passed; and, on the first day of January, all the money in the Treasury over and above $5,000,000, was to be deposited with the States in four equal instalments; the last on the first day of next month.

The different States had, according to the proposition of Congress, agreed to accept of the money, and pay it over again when called on; but with a confident expectation that no emergency would ever present itself, when the payment would be necessary. So, in effect, all considered it a distribution act, although some said they considered it nothing but a *bona fide* deposite, which would, in all human probability, never be called for.

But gentlemen tell us this deposite act passed as a measure of finance, purely and solely for the safe keeping of our surplus revenue; that this Government has a right to call it back when, and as she pleases, without any sort of reference whatever to its provisions; that the States do not hold the deposites under any contract with this Government, but barely as a gratuity—as a boon to be withdrawn or withheld at the pleasure of the power bestowing it; that it would be mockery to pay over this fourth instalment when we shall have forthwith to commence withdrawing it again, or to resort to a loan to raise money with which to conduct the Government. And we are further told that this money on deposite with the banks is actually necessary to keep the wheels of the Government in motion; that they cannot move on ten days without pecuniary aid derived from our action. And then we are emphatically asked, are we prepared, under these circumstances, to deposite our money with the States, and then borrow for our own use; or in other words, whether we are prepared to borrow money to deposite with the States.

These positions, I hold, cannot be maintained. The agreement between the States and the Federal Government is a perfect obligatory contract, supported by both a good and valuable consideration; and for a failure, upon the part of either, to comply strictly with the terms of the deposite act, if they were individuals, an action could be maintained and damages recovered.

But, to exemplify this proposition by presenting an apposite case, I will suppose Mr. Van Buren, as an individual, had on hand $40,000,000, which he considered in very unsafe depositories, and having no present use for it, and no right to loan it out at or without interest, he was to say to the Governments of the different States that he would deposite the whole sum with them, to be delivered over in four equal instalments, if they, upon their part, would bind themselves to be responsible for its safe-keeping and to refund it in certain proportions at given times; and he accordingly should proceed to make a deposite of the first three instalments, and they had gone on to appropriate it to the purposes of their public works, and to make arrangements, and perhaps contracts, to appropriate the fourth instalment to accomplish these works, and he should turn round and say that it is not convenient to pay over the fourth instalment; who would doubt the right of the States to bring suit against him, and recover at least as much damage as they had incurred!

Such, then, is the situation of most of the States. I instance Kentucky. That State, not having the most remote conception that the deposites would ever be called for by the Federal Government, and knowing that, in justice and law, they could only be drawn in the proportions and at the periods designated by the act, proceeded to appropriate the whole of her share to purposes of education and internal improvement. She is engaged in constructing her public works upon a most magnificent scale; she has commenced the improvement of the navigation of her rivers with locks and dams; but they are all in an unfinished condition. She looked to this fourth instalment, which this bill proposes to suspend, as the means to aid in their completion. If she be disappointed in this just expectation, she must resort to other means to raise funds, or abandon her works. The latter alternative she will not adopt; but if her situation was such as to drive her to it, all the money thus far expended would be a total loss, and all on account of a disappointment in getting this fourth instalment. In this event, might she not institute her action and recover damages equal to the amount of loss sustained by the failure to realize the fourth instalment, provided this Government could be sued by a State? Now, surely we are not prepared to violate our plighted faith, violate our plain contract with the States, because there is no law to compel us to observe the one or perform the other.

Suppose, again, that England had made the contract with this Government which the States have, and had received the first three instalments, and demanded the other when due, and we were to say to her that you are already indebted to us for the $30,000,000 deposited, which you are compelled to pay back in certain instalments when called on, and if you get this fourth and last instalment, the $9,000,000 remaining, you will have that also to pay back; would she not very properly say to us, perform your part of the contract, observe your faith inviolate, and we will see that we fulfil our engagement; we will see that our faith is kept inviolate? Who could deny her right to demand of this Government a faithful, strict compliance with this understanding?

I, Mr. Speaker, would oppose the suspension of this fourth instalment, even if, by doing so, the funds which the Secretary of the Treasury informs us are necessary to carry on the Government could be forthwith raised by this step. But it is evident that the passage of this bill will not bring one dollar into the Treasury, at any rate for four months, if the Senate's bill, fixing that period should pass; but I predict that it will be so amended as to place the first payment at more than twice as remote a period as that now proposed.

We have been told by the most ingenious advorates of this bill, who have run the deficit up to the largest amount, that there is against the Treasury the sum of $5,876,565, as will appear by the following table, presented by the honorable gentleman from Ohio, [Mr. Hamer,] in his very ingenious speech:

There was in the Treasury on the first of January, 1837, - - - -	$6,670,137
The money received during the first six months of the year is - - -	13,187,182
The revenue for the last half of the year will be	7,000,000
Making in all - - - -	$26,857,319

These are our means for defraying the expenditures of the year.

The expenditures for the first half of the year 1837 are - - - -	$16,733,844
For the last half of the year will be - -	16,000,000
Total expenditures for 1837 - -	32,733,884
Deduct the amount of our funds - -	26,857,319
Balance against the Treasury - -	$5,876,565

Now, without stopping to show the fallacy of this statement, for it is not necessary to my purpose, I will take that gentleman's table, for argument's sake, as correct, and suppose the "balance against the Treasury" to be $5,876,565, and the proposed expenditures for the last half of this year to be as that gentleman has proposed, $16,000,000: I ask, could not the Executive very easily suspend the expenditure of so much of that unexpended $16,000,000 as would equal the balance against the Treasury? In this event, there would be left to be expended in the latter half of this year $10,123,435; surely quite a sufficient sum in times of great embarrassment and unusual pressure. This administration is, as I understand, but a continuation of the past retrenching and reforming administration, and it seems to me that in their prosperous work of retrenchment they ought to be content, in this unfortunate year, with expending $26,857,279, which will be the sum, as is apparent from the table of the gentleman from Ohio, after his "balance against the Treasury" of $5,876,565 shall be deducted. But, again, if it be necessary that this administration shall conduct its retrenchment in its own way; that the opposition shall not dot an *i*, or cross a *t*, and that the precise sum of $32,733,884, as shown in the above table, be expended; then I would suggest (for the opposition can only suggest) that we might readily realize not only the amount of the balance against the Treasury, but some $2,500,000 over and above that sum, by selling the bonds due for the sale of the Government stock in the late Bank of the United States. Those bonds are at an interest, I think, of six per cent. per annum, and could readily be sold at par, and would enable this Government to raise about $8,000,000. Or, if this will not suit the administration, why do they not look to their Treasury note bill, out of which to raise funds to carry on the Government? They have the undoubted power to carry this bill through; it proposes to issue Treasury notes to the amount of $10,000,000, and I have every confidence they will pass at a very slight discount.

Sir, I am unable to assign any legitimate object, any worthy or patriotic motive, to the administration, in pressing this bill, when at best they will not be able to realize a dollar by it for from four to eight months. I, perhaps, am too much disposed to suspect Executive encroachments; to suspect this administration with a design in all its acts to enlarge the Government patronage and power; but if I err at all, I would prefer it should be upon the side of over-vigilance, for I believe from Executive patronage is to be apprehended most of danger to this Government.

But I remarked in the outset, as an apology for asking the attention of the House, that my State, and particularly my district, had an especial interest in this bill. Kentucky has but four banks: the Savings Bank, the Bank of Louisville, the Northern Bank of Kentucky, and the Bank of Kentucky.

The Savings institution is not authorized to issue paper. The Bank of Louisville, by a provision of its charter, is prohibited from doing any business after suspending specie payments. The Northern Bank of Kentucky finds its capacity to accommodate the country much diminished since the revulsion; and the Bank of Kentucky is the principal institution upon which the people of Kentucky rely for banking accommodations. It is situated in my district, in Louisville, the principal commercial city of the State. That city must first and most severely feel the paralyzing and withering effects of the overthrow of this institution; and I, its representative, will not consent to stand by and witness in silence powers vested in the Executive which will enable him to crush it at his pleasure. By a report of this bank, made on the 31st of last month, it had in its vaults $767,799 in specie, and had on deposite of the public funds of the General Government $676,710, and of funds of individual depositors $626,269. Its other liabilities were not greater than other perfectly safe and solvent banks with similar means. If we pass this bill and the other which I have already named, by which the Secretary of the Treasury will be authorized to draw from the Bank of Kentucky $676,710 in specie, the amount of Government deposites, there will remain in its vaults only $91,089 in specie, which state of things would necessarily devolve on the bank the imperious necessity of ceasing to do business, and closing, for a time, its concerns. Such a result would produce an amount of suffering that would be insupportably ruinous to every interest in the whole State.

It must be apparent to the most superficial observer, that in the depreciated condition of the paper of all the banks in the Union, and particularly some of the Western and Southwestern banks, from which, should this bill pass, about $9,000,000 of specie must be drawn in so short a time, it will be utterly impossible for them to add one single cent to the amount of their specie now on hand, by collections from their debtors, as long as they have any paper in circulation which is of less value than specie. For surely nothing is more certain than that the debtors of the banks would prefer to purchase up with their specie the notes of the banks at a discount, with which to pay their debts, to paying them off in specie.

Hence it results, if you impose on the banks the necessity of raising, through collections from their debtors, these nine millions of dollars in specie, you involve both the banks and the people in one common ruin. With these consequences so obvious, I am not prepared to believe any representative of the States whose prosperity depends upon the accommodation of these banks, especially from Kentucky, as I regret to have heard intimated, can think for a moment of enforcing these oppressive measures, by voting for the two bills depending before this House.

But gentlemen say the President will not allow these banks to be broken up, and the people ruined, by enforcing the laws so as to withdraw the deposites in specie. Why then, I ask, are the friends of the President so anxious to give to him the power? Is it that he may use it as an engine with which to wield influence in certain States? or is it that his friends may say, he has the power to crush, but the will to save? I am for entrusting him with no such power over my constituents. I will not consent to entrust so mighty an engine to the hands of any President, without the most imperious necessity; and I do not perceive that necessity.

Gentlemen say the Government is without funds, and this bill is intended to afford means with which to enable the administration to conduct its affairs. This is not so: for no portion of these means can be realized for four months from the passage of the Senate's other bill, if the credits in that bill proposed should not be extended, and, of course, no immediate relief can be derived for the Government. I defy the ingenuity of man to assign any sensible reason for the passage of this bill, except to give the President power.

The State banks, from and after the passage of the deposite act of the 23d of June, 1836, had reason to believe that they would be expected, by the Federal Government, to settle with their respective States the amount to which they eventually would be entitled under that act. Hence it is but justice that, in our action upon this subject, we should have reference to this natural and just expectation, confirmed by the fact that the first three instalments were paid through that medium. If nothing but the sums over and above the amounts to which the different States would be entitled were exacted, in reasonable payments, I should think the banks would not, could not complain.

The Bank of Kentucky has, of Government deposites, less than $200,000 more than the amount to which the State of Kentucky is entitled. And if it be true, as it is evident from my showing, that the Government is to derive no immediate aid from this source, why compel the banks

to pay up to the Government the whole amount of the deposites in specie, and thereby break them, when on the 1st day of January, 1839, the Government will deposite, with perhaps the same banks, the amount to which their respective States would be entitled? Why not postpone until the 1st of January, 1839, so much of the money upon deposite with the banks as will be sufficient to pay the instalments to the States, without deranging again the commerce of the country, by forcing transfers at that time from one to another portion of the Union? If it is thought desirable, make the banks in the mean time pay interest at some just and fair rate. Then, if the banks cannot spare, from the amount of specie they have on hand, the sums demanded by the Government, they can go into the market and buy it at the market price, which is now here, I believe, at about 8 per cent. advance. To this I am not prepared to say I would object; because I suppose such a requisition upon most of the banks could be met without crushing them and the people. But I do protest most solemnly against placing in the hands of the President the terrible power with which these two bills will invest him. The world knows, and no one on this whole earth better than Mr. Van Buren, that when you place the prosperity of an individual or a community in the power of another, you give him possessing it, influence to an unknown extent over the acts of his dependant. And, sir, I do verily believe that these two bills, which ought to have been included in one, and can only be treated as one in their operation, are intended in part, if not mainly, to enable the Executive to bring to bear the power proposed to be conferred upon the elections in the Western and Southwestern States. I know, sir, that I have no infallible evidence upon which to predicate this opinion; yet I feel authorized to infer its existence from the uniform policy of the present and past administrations, ever since Mr. Van Buren has controlled the counsels of this nation. The President never acts without a motive; and when, through his friends in this House, he seeks to possess himself of power so mighty as that proposed to be conferred, without assigning a good and sufficient reason for it, I am left to infer, from the known character of the man, that he demands it to be exercised for the attainment of some important end. The Western people, thank God, from their fortuitous position, have not been within the sphere of Executive patronage, to any great extent. They are, as yet, insensible to the practical operation of that deleterious power, except on a very limited scale. And I predict, Mr. Van Buren will find them more insubordinate, less tractable, than his experience elsewhere has given him reason to expect. He will find there a hardy, self-willed, though law-abiding race of men, who have been taught to look to their own stout arms, and to the most fertile and prolific soil on earth, for the means of living, and not to Executive patronage. They will not stand by, either indifferent or silent spectators to the proceedings of their Government, whilst it is exerting every nerve to reduce, within its own control, not only every branch of industry, but the political power incident thereto. All that they ask is the privilege of letting them pursue, in their own way, what they think best promotes their individual happiness and prosperity, and not to keep experimenting upon the currency, the mainspring of prosperity in every thriving community; so that the laboring man may have some data upon which to predicate a calculation to-day, what will be his condition to-morrow.

I believed, from the first complaints against the Bank of the United States in 1830, that they proceeded from a refusal upon the part of that bank to become a political instrument; and that all the clamor against that institution, and the efforts to put it down—the removal of the deposites, &c.—were intended to strengthen the arm of Executive power and patronage, by first overthrowing that institution, and then placing under the control of the President the local and the State banks of the whole country. But I acknowledge I had not anticipated, at this early day, so gross and undisguised an effort to place unconditionally in the hands of the President the fate of the whole monetary affairs of the country.

It never once occurred to me that Congress would so soon be found capable, without any assignable cause, of placing the fate of whole communities in the hands of the Executive, by giving him the power to deal out destruction or preservation at his pleasure to the whole banking system, and consequently, for a time at least, to all who are dependent upon their accommodations. The different pursuits, in all well-regulated Governments, are as dependent on each other as they are necessary to make up a happy and prosperous community; and when, from the depravity or ignorance of our rulers, a stroke is aimed at one great interest through the currency, it will be felt by every other. They exist as one indivisible whole, and must all suffer or prosper together.

The remarks of the honorable gentleman from Virginia [Mr. Garland] have been to me a subject of not a little surprise. That gentleman is considered as the great leader of the conservatives on this floor; and I suppose his position upon this subject may be considered as identical with the other conservatives, who seem to be acting with him generally. In the course of his remarks on this bill, he stated he had never seen any cause to regret the vote he gave in support of the deposite act; that he considered it a wise measure; and that if it had been properly executed by the Secretary of the Treasury, very much of the difficulties under which the country is now laboring, would have been avoided; that the report of the Secretary of the Treasury to Congress at the commencement of this session, from which it appears that the bill before the House is necessary, is to his mind as unintelligible jargon as was the confusion of tongues at the building of the tower of Babel; and yet, as the Secretary has taken upon himself to assume the responsibility of recommending the measure, he would vote for it, and let the responsibility rest with the honorable Secretary.

I would most respectfully invite the attention of the gentleman from Virginia, and his conservative brethren, to reexamine carefully the position which they, I am in charity persuaded to conclude, have involuntarily been compelled to take, in obedience to that unrelenting iron rule of party, to which, until then, I had hoped they had determined no longer to yield obedience. If gentlemen are candid in the conviction that the deposite act is founded in good policy, and have succeeded in convincing their constituents of this fact, it appears to me, if their constituents are not widely different from mine, that they will find some difficulty in convincing them that the *ipse dixit* of that same Secretary, whose hostility to the passage of the bill was so deadly, is sufficient to authorize their representatives to turn round and vote for a suspension of the fourth instalment under that act. In order, however, that the whole course of the Secretary of the Treasury upon the subject of the surplus revenue and its distribution among the States may be fully understood, I invite the attention of this House to his report made to the last Congress at the commencement of its first session, at a time when it was the policy of his party to make it appear that we should have no surplus at the end of the year 1836 to distribute among the States, under the operations of the then anticipated land bill, or some other mode of distribution.

On the 8th of December, 1835, the Secretary of the Treasury, in his regular annual report, made up and presented with all possible deliberation, informed Congress that the balance in the Treasury, on the last day of that month, would be $18,047,558; whereas, as afterwards admitted by a subsequent report of his to Congress, it turned

out to be $26,749,808, showing an error in this item of his estimates of $8,702,250.

In the same report of this remarkable Secretary, he estimated the available means of the Treasury, for the current year of 1836, at $37,797,598; whereas it turned out to be, as shown in one of his subsequent reports, $74,644,103; exhibiting an error of $36,846,505. But, sir, in order to still better understand the real character of his official communications to Congress, and to enable us the better to appreciate the degree of authority we should assign to them in our action upon this floor, I ask the attention of the House first to an estimate in this same ever-memorable report as to the accruing revenue from one particular source, I mean from the public lands, in 1836. He says, from this source we need not expect to realize more than $4,000,000. It so turned out that they yielded us exceeding $24,000,000. Also to the remarkable statement it contains, that on the first day of January, 1837, the balance in the Treasury would not exceed $14,500,000, whereas it exceeded $44,000,000, making a difference of nearly $29,000,000.

Again: In another report of Mr. Woodbury, made within ten days of the expiration of the last quarter of 1835, he estimates the accruing revenue for that quarter at $4,950,000; when, in fact, it turned out to be $11,950,000, presenting therein an error of $7,000,000; and this certainly at a time when all must admit he did know, or could have known, almost to a dollar, what would be the receipts of that quarter.

Mr. Speaker, I ask you, sir, and the other unwavering supporters of the past and present administration, how do you account for all these egregious mistakes? I demand, in the name of the country, to know of the oracles of those in power what has produced those monstrous official errors? It will be answered, no doubt, that, from the remarkable character of the year 1836, a wild spirit of speculation of every sort brought into our Treasury, through the medium of duties and the sale of public lands, an amount altogether greater than any could have anticipated; and that he has thus innocently and unavoidably been betrayed into the error. This, sir, must be the true answer, or the Secretary has prostituted his official station to utter an official falsehood, for the unworthy and shameful object of subserving low, mean, party, and selfish purposes. That one or the other must be true, all candid men will admit. I think I can show that the former answer is not the correct one; and, in support of this opinion, I appeal to the well-known fact, that, in the forepart of the very session of Congress to which the Secretary of the Treasury made this memorable report, Mr. EWING, Senator from Ohio, made and published, in pamphlet form, a speech containing his estimates, and embodying his opinions, on the points upon which the Secretary fell into such error.

In his speech, to which I invite the attention of every member of the House, what did Mr. EWING say to the nation? Did he say the available means of the Treasury, in the year 1836, would be $36,797,598, as did Mr. Woodbury, and therein miss the truth by $36,846,505? No, not he; but he foretold that the available means would be but little short of $77,000,000. In this same speech, that Senator demonstrated to the Senate that, although the honorable Secretary of the Treasury had contended the receipts from the public lands in 1836 would not probably exceed $4,000,000, they would, in his opinion, exceed $20,000,000, which was more than realized. And at the same time he showed the fallacy of the Secretary's calculation, in estimating the balance in the Treasury, on the 1st of January, 1837, at $14,500,000, and predicted, as it turned out to be, that the balance would exceed $40,000,000.

It then appears that these errors of the honorable Secretary did not originate from the want of sufficient data upon which to predicate a calculation which should approximate certainty. For surely he, with all the facilities which his position afforded, had a much better opportunity of making a correct estimate than any one else, and very much more so than the honorable Senator from Ohio, whose incorruptible integrity, burning patriotism, and giant intellect rendered him an object both of fear and implacable hatred to the administration.

Now, Mr. Speaker, we boast of having the freest Government on earth; where our official functionaries are more amenable to, and more completely within, the reach, and under the influence of the people's will, than in any other. Still, I am inclined to think, there exists a very great mistake on this subject. Though ours is a republic, and the Governments of England and France are monarchies, still the people of both of those counties hold their officers responsible for a capable and faithful discharge of their duties; and the King does not dare retain in any prominent station one in whose official character the nation has lost confidence. If, as was the case here at the commencement of last Congress, it became a matter of importance to the Government of England or France to know the exact condition of her Treasury, and, as nearly as might be, the accruing means of the Treasury for the current year, and the Minister of Finance had sent to the King, to be laid before Parliament, an estimate of the available means of the current year, placing them at $37,797,598, and an opposition member had gotten up in his place and denounced the report as delusive and untrue, and had shown from his calculation that one particular source of public revenue would exceed, by fourfold, the estimate of the minister, and that the available means would exceed his estimate by $36,846,505, and thus show that the estimate of the minister was calculated and designed to defeat a great and important opposition measure; and the estimates of that opposition member should be literally realized: I ask, if the King of either of those countries would dare continue in place such a minister? No, sir, he would not dare do it; he would feel, as he should feel, that he would have justly jeoparded his neck by such a course.

But, add to this, that this minister, by his bungling financiering, by his miserable tinkering with the currency of the country, had beggared tens of thousands of the best citizens of the nation, and produced a revulsion which diminished the value of the property in the country $500,000,000: can any member contend, that in either of those monarchies, or anywhere else where civil liberty is appreciated, such enormities would be submitted to?

The honorable gentleman from Ohio, [Mr. HAMER,] who is justly considered the champion of the administration in all the contests upon this floor, commenced his speech, which I knew, when he rose, was to embody, at length, a defence of the general policy of this called session, by expressing his deep regret at feeling called upon to participate in the discussion of this bill, and his preference "to action rather than debate." The new members, doubtless, thought we should have from the gentleman a few pertinent remarks, and that then he would resume his seat. And the people who shall read his speech when it makes its appearance, will also be prepared to conclude that the honorable member arose without any intention of delivering a regular speech, and was involuntarily led on by the engrossing character of his subject, to protract his remarks to upwards of three hours in length. Such, however, as had served with that gentleman heretofore, knew well the relation he bore to his party, and the character of the speech he was to deliver, and the great length of time he would likely occupy, from the ample preparation he had been making for a week past, in taking notes upon such as have opposed this bill.

The gentleman complains that the opposition, instead of proceeding to support the administration in providing rem-

edies for what he admits to be a very important crisis in the affairs of the nation, is disposed to stop and inquire who produced all this distress which now pervades every class of the community? to which of the two parties in this country is it justly chargeable?

Now, sir, I think it would be any thing other than difficult to show that after having been called together at this extra session by the President, to administer relief to the diseased condition of the body politic, it becomes us most thoroughly and deliberately to inform ourselves of the nature of this disorder, and of the cause that produced it, in order that the cause may, if possible, be removed, when, and not till then, the disease will cease to exist. The physician who would attempt to administer to a diseased patient, without using every expedient within his power to ascertain the nature and find out the cause of the disease, particularly when it is of so extraordinary a nature as to threaten sudden dissolution, would be justly denominated a quack, and consigned to ineffable disgrace for having wantonly sported with the health and life of his patient. If such would be the fate of the physician, for so gross a departure from the scientific course of his profession, I ask, what ought to be the fate of the leaders of the administration who recklessly propose to administer to the present disordered, deranged condition of the currency, when every interest in it is struggling for existence, without either examining into the causes that produced the disorder, or knowing the nature and operation of their proposed nostrums, and then presume to reproach the opposition for carefully analyzing the nature and cause of the disease, and the probable consequences of the remedy? Let the constituents of these fastidious gentlemen answer; and, sir, that they may have an intimation of what that answer will be, I point them to the elections in Tennessee, Kentucky, Indiana, New Jersey, Rhode Island, and Maine.

I, Mr. Speaker, hesitate not to give it as my opinion, that the whole difficulty under which our country is now groaning originated from one great and most obvious cause, and that the disease will never be substantially removed without first removing the cause. I think this proposition is subject to the most satisfactory demonstration—I mean the failure to recharter the Bank of the United States, or form a new bank of the United States.

Previously to 1789, before the adoption of the federal constitution, there existed no power in the States of the confederacy to establish one currency for them all. Each State had its own banks, and then, as well as now, it was known that the price of property in the respective States bore a very close and intimate connexion with the amount of its currency. Hence there was an obvious and overruling incentive greatly to enlarge the paper currency of the several States. The paper of one State, whilst at par at home, was under par in the limits of its nearest neighbor. Out of these causes grew great inconvenience, infinite complexity, and a world of trouble in conducting the commerce between the States. This was regarded by the States as a great and crying evil; one which taxed the ingenuity of many of the ablest statesmen and the best patriots of that day, and was amongst the most powerful of the causes which gave birth to that venerated instrument, the federal constitution, which embodies evidence of the existence of more political wisdom, sagacious forethought, and chastened, disinterested patriotism in its framers, than has been found to exist in any previous or subsequent age.

In less than two years after the adoption of the federal constitution, whilst its framers were then upon the theatre of public life, the United States Bank was chartered, and General Washington, then President, approved and signed the charter, after the most mature deliberation and consultation with his patriotic and enlightened cabinet. It was intended to furnish, and did furnish, during the twenty years of its existence, the best currency the world had ever known. Its notes, whether issued in New Orleans or Boston, were preferable to specie at any point in the Union, because it never had failed, and the country believed it never would fail, to redeem its notes in specie; and in this expectation they never were disappointed.

During the existence of the charter of the first bank, from 1791 to 1811, none of the local banks ever were enabled to afford a currency equal to that furnished by the Bank of the United States. The cause of this was obvious to every intelligent person who looked into the subject. The existence of that fact gives to that bank powers that no other bank in the country had or could have. It had, through the instrumentality of its branches, facilities in affording exchange which no other banks could have. And, as a consequence, its stock became more valuable than that of any other bank. Hence there grew up, very naturally, a great jealousy with those who had stock in, and were connected with, many of the local banks. And very many of the best patriots of the country believed that bank had too much power, and others of them believed that Congress had no constitutional power to grant a charter to any such institution. So that, by the expiration of the first charter in 1811, there was found a majority against the recharter of that institution. Some of the opponents of the recharter of that bank, in 1811, believed, or professed to believe, that we then had too much paper money for the good of the country; and that, by refusing a charter to that bank, the country would, to the extent of its circulation, have the amount of paper circulation diminished. But those who had given that subject most attention, and best understood the natural operation of the causes that regulated such matters, were well satisfied that the exact converse of that state of things would necessarily grow out of a failure to recharter that bank. They saw and predicted at the time, that, as soon as the nation got to believe the United States Bank was not to be rechartered, or another substituted in its place, the same causes would be brought into action which had produced over-issues, and necessarily depreciation of the paper currency in the different States, previously to the adoption of the federal constitution. And they, during the debates on the proposition in 1811, to recharter the bank, predicted that its failure would, instead of diminishing the paper circulation in the country, produce, necessarily, a great increase in its amount; and that there would be no limit to this inevitable tendency to increase, until it would produce such a plethora in the circulation as to result in a certain and universal explosion. Experience soon verified all these predictions. As soon as a recharter was refused by Congress in 1811, the mania for local and State banks forthwith sprung up; and between that period and 1816, when the bank was rechartered, the number of banks had increased from 88, with an aggregate capital of $12,610,000, to 246, whose aggregate capital was $89,822,422. In the interval between 1811 and 1816, the increase in the number of banks was 158, and the increase of bank capital, in that short space of five years, was $47,212,422; whereas, for the ten years immediately preceding 1811, the number of banks had increased from 32, with a capital of $23,550,000, to the number before stated of 88, with $42,610,000—making an increase in these ten years in the banking capital of $19,060,000. Upon the recharter of the United States Bank in 1816, however, an immediate check was given to this mania for banking, and from that period up to the year 1830, the number of banks had only increased from 246, with a capital of $89,822,422, to 329, with a capital of $111,192,268, showing in this period of fourteen years an increase of 83 in the number of banks, and $21,369,846 only in the amount of the banking capital of the country.

In 1830, however, this institution, which had during its whole existence exercised so wholsome an influence over that most ungovernable disposition to over-banking, and

blessed the whole country with the best and most uniform currency that has ever been known, incurred the displeasure of him whose hatred for the last eight years has been certain death to every institution in the land, and fell powerless and lifeless at his feet. From that time up to the departure of this man from office, (I cannot say from power, for he is known and felt by every informed citizen yet to be all-powerful,) embracing a period of seven years, the increase of banks was from 329 to 823, and of bank capital from $111,192,268 to $378,421,168. The increase in the last year of his administration, in the year 1836' in the number of banks, was 266, and in the amount of bank capital, $164,545,873. From which it appears, in this short period of seven years, the number of banks has been increased nearly threefold, and the amount of bank capital more than threefold. The statistics which I have submitted are taken from an official report of Mr. Woodbury, the Secretary of the Treasury, which are thrown into a table exhibiting the increase in the number of banks and banking capital from 1792 to 1837.

Years.	Banks.	Capital.
1792	11	$8,935,000
1801	32	23,550,000
1803	75	40,493,000
1811	88	42,610,000
1815	illegible	82,259,590
1816	246	89,322,422
1820	illegible	102,210,611
1830	329	111,192,268
1834	506	170,123,788
1835	678	193,584,361
1836	689	216,875,295
1837	823	378,421,168

These consequences flowed from no unknown or mysterious cause, but as the natural and unavoidable result of given causes. They arose from that which ever has been, and ever will be, the case with the State Governments—an irresistible propensity to over-bank, unless restrained by some sufficient counterbalancing cause. Over-banking always has produced, and ever will produce, a passion for speculation, over-trading, and all its endless train of evils, which invariably have resulted in a ruinous revulsion, as is seen at present in this country.

The currency, the circulation, is to the body politic what the blood, the circulation, is to the animal system; let an irreparable derangement take place in the one or the other, and the body must dwindle, decay, and soon perish. Once satisfy a community that its Government is incapable of regulating and controlling its currency, upon which so much of the value of property depends, and all regularity in every interest, and I guaranty you will find that community disposed to try another form of Government, which can secure to its people some settled, uniform, and stable medium, through which commodities can be exchanged, and the business of the country transacted. The principal return which a people expect in exchange for the restraints imposed upon them by civilized society, by regular government, is a steady, permanent, uniform policy, and a sound currency, by which the necessary and proper incentives to industry and enterprise are encouraged; by which the industrious parent can rely with confidence upon having secured to him the rewards of his labor, with which to raise, educate, and advance his offspring. No civilized, enlightened, industrious, and enterprizing people like ours, ever will consent to live under a form of Government that is so unstable, unsettled, and imbecile, as not to afford them the great and paramount objects of Government. The fickle, vacilating policy of this and the past administration, by which all regularity in the price of property, all certainty in the reward of labor, and all confidence in any regular and settled policy of the country are destroyed, may be borne with for a while. Yes, it will be borne with as long as there is any reasonable hope of reform; but when all hope of this is lost, the time will have arrived, when the people, in the majesty of their strength, will demand and procure for themselves such form of government as will secure to them these great and indispensable objects.

We have lived for forty-eight years under the federal constitution, and for forty years of that time we have had a United States Bank, which furnished to the nation the best, soundest, and most uniform currency that has ever existed. There has been no period of the forty years' continuance of that bank, when its paper has not been better, and furnished a more uniform currency, than gold or silver itself. For the paper of the mother bank, or any of its branches, was always equal to specie at any point in the Union, as remote soever as it might be from the bank that issued it; not that one branch was bound to redeem the paper of the others, but because it was always bankable paper at any point in the Union, without regard to the place of its issue. And, in the next place, it was more convenient for transportation; so that if a merchant in Lexington or Cincinnati had $50,000 in specie, which he desired to pay over to his creditor in New York or Philadelphia, he would consider his specie one or a half per cent. less valuable at his home than in one of those Eastern cities; that is, he would have to give $250 if exchange was at half per cent., or $500 if at one per cent., in order to get a draft upon one of these cities; but if he has the paper on the United States Bank, and he cannot get a draft at par, he only has to bundle his money up, place it in his pocket, and convey it himself to its destination, without its being known by a single soul. This thing has been done over and over again, with the most perfect convenience; hence, United States paper has ever been more valuable, and more uniformly of the same value at different places, than silver or gold.

Or instance another case: a horse drover in Kentucky, who carries a hundred horses to South Carolina, and sells them, say for $15,000 in specie, could not get his metal back home without a wagon and team; hence he would prefer to buy a check on Kentucky at one per cent., and thereby lose $150 to the trouble, expense, and risk of hauling home his specie; but if he should receive his pay in paper upon the Bank of the United States, he would just procure thirty notes of five hundred dollars each, and bring home, perhaps in his watchpocket, his $15,000. Who can, with any knowledge of the business of the country, deny then that the United States Bank furnished a paper circulation better and more uniform than gold or silver itself? Then for forty years this growing, prosperous republic has been blessed with the best currency upon earth, and, in the use of it, has advanced with unparalleled rapidity to wealth, greatness, and happiness. What, however, has been the history of the other eight years, during which we had no United States Bank? It is one continued scene of confusion and distraction in the monetary operations of the country, and, consequently, frequent, sudden, and ruinous revulsions in the business of the whole country, involving in one common, indiscriminate mass of ruin whole communities of our best and most enterprising and industrious citizens. For, however prudent a man may be, he may have a neighbor less able to withstand the mania for money-making, in times of extravagant enterprise and speculation, whom he cannot refuse when asked to endorse for him, and who gets disappointed in his just calculations, and is hurled with his innocent neighbor from affluence and happiness to poverty and wretchedness. In the four years that succeeded the refusal to recharter the United States Bank in 1811, the table which I read shows how rapidly the increase of paper money progressed. The history of the last two of the five years mentioned exhibited almost the whole country involved in bankruptcy and

ruin. The banks in 1815 and 1816, with perhaps the single exception of those in Massachusetts, suspended specie payments, and their paper forthwith depreciated greatly below par.

In Baltimore and this place, the paper of the local banks was twenty-five per cent. below par. The paper of the local banks in all the other States was at different rates of depreciation. Still the customs and dues of the Government were collected in the paper currency of the different States, all differing with each other in value. So that the importer of goods here or in Baltimore paid one-fourth less of duties on their importations than the importers of the same articles in Boston. Thus did the amount of duties paid at the different ports depend on the depreciation of the paper money in that particular State.

This was an inequality growing out of the deranged state of the currency, which was so perfectly insupportable that, without a remedy, it would have produced a dissolution of the Union; for the operation of things was so, that the constitution, both in letter and spirit, was outraged and violated in the most palpable manner. Those provisions which require that taxation shall be uniform, and that no port shall have privileges not common to all, were a dead letter, and all men of all parties admitted the evil was insupportable, and must be remedied. The commerce between the States was so crippled up as almost to be annihilated. No evils of this sort had existed from 1791 till after 1811, when a recharter was refused to the United State Bank; the absence of which, it was generally admitted, produced this swarm of local banks, which first flooded the whole land with spurious, depreciated paper money, and finally ended in the convulsion of 1815 and 1816. There existed then, as is the case now, but one remedy for the disorder of the currency, and that is a United States bank. It was then, as it is now, known that a cause for the deranged and ruined condition of the currency existed; and it was then thought by all to be the duty of every statesman fully to examine into the matter, to ferret out the cause, place it before the country, and let the responsibility of it rest where it belonged. There was found no one then upon the floor of Congress who objected to finding out the cause of the embarrassments then existing, in order to remove them. No one could then be found who ventured to reproach others for professing to be unable to use means to remove the cause of great and heavy evils, before that cause was ascertained.

In 1816, it was believed that the absence of a United States bank produced the embarrassments: to remove them, the cause was removed. A United States bank was rechartered; and in less than one year from that date, almost all the banks in the Union which did not finally fail from gross mismanagement or fraud, recommenced specie payments. Thus, with the removal of the cause, its effects also disappeared. I believe similar results would occur if we could get the whole truth before the country, and the people could see the cause of the present revulsion. The great body of the people are honest, and they need but to see what is right to do it. Hence arises the aversion of the gentleman from Ohio to have the true causes of our embarrassments placed in bold relief before the country.

Now, if the friends of the administration would admit, what I am sure they must believe, that our embarrassments have grown out of the downfall of the United States Bank, and join those who have always been in favor of that institution in now chartering another upon similar principles, the opposition would desire to say no more on the subject of the crisis and its causes than would be necessary to place that matter fairly before the country, so that the people may fully understand who are the authors of our present embarrassments; but they refuse to admit themselves the authors of our troubles, and say it is the opposition that has brought them upon us; and then reproach the members of the opposition for disproving this most extraordinary charge.

The gentleman from Ohio says that the commercial embarrassments that now convulse this country have overrun England, France, Germany, Switzerland, Turkey, the East Indies, and the empire of China; and then emphatically asks, if it is possible that any sensible man can believe that the removal of the Government deposites from the Bank of the United States to the State banks has convulsed three-quarters of the globe? I have not heard any man, here or elsewhere, pretend to say that the present disasters that overspread even this country are attributable to the removal of the deposites; and I must be permitted to say, that the assumption of the honorable gentleman is unauthorized; that he has drawn upon his fancy, in asserting that any such position has been taken by the opposition; and of such assumptions is the greater part of his very long speech constituted.

But of all the unauthorized assumptions which the honorable member has seen proper to make, the most supremely ridiculous is that of attributing to the opposition the promulgation of the opinion, that all the embarrassments which he has chosen to assert do now exist in China, Turkey, &c., are owing to the removal of the deposites from the United States Bank.

But, sir, I take issue with the gentleman upon the question of fact as to the existence of convulsions in England, or any of the countries which he has named, similar to, or comparable with, those which we find prevailing in this country. And I now invite him to rise in his place, and point me to the authority upon which he has predicted his assumptions.

It is perfectly astounding to hear with what unmixed effrontery it has been asserted since the revulsion, by the friends of this administration, from the President himself down to the most degraded tool of his party, that, in proportion to the entire amount of the paper circulation of England and the United States, its augmentation in the last three years, has been as great there as here; and that it begat the same spirit for speculation and over-trading in that country as in this; and, as a consequence thereof, that both countries have been alike involved in similar difficulties.

Now, sir, as to the general charge that monetary affairs are as much deranged and as difficult in England as here, I appeal to the known fact, admitted by the gentleman from Ohio in his speech in his support of this bill, that specie may be borrowed in any quantity at three per cent. in England, whilst all know that it cannot be borrowed at four times that rate in this country. Indeed, sir, such a thing as negotiating a loan of specie is not thought of here; for if an individual has specie on hand here, he never thinks of loaning it, but proceeds to sell it at eight per cent. advance for paper money; and then, if he chooses, loans the paper money at six per cent. making an interest of fourteen per cent. on specie here, when it is worth but three, as has been shown, in England.

A distinguished Senator from Georgia, in a speech delivered in the other end of this building but a few days since, showed, from official documents from England, that the augmentation of paper circulation there, since the commencement of 1834, was only one and a half per cent. upon the entire paper currency of that kingdom; whilst the proportional increase in this country, within the same period, is exceeding sixty times as great. No Senator pretended to controvert the accuracy of his statements, nor has a contradiction emanated from any respectable source, so far as I have observed.

When a sudden reverse overtakes this country, under which its trade and commerce dwindle away, and its whole energies are literally paralyzed, as is the case now, it will,

to a greater or less extent, be felt by all the countries with which we have extensive commerce and intimate connexion. Then, whilst I admit that some slight embarrassments have existed in England, growing, in some degree, out of the intimate commercial connexions between that country and this, I deny that they prevail in any thing like so great a degree there as here.

But the gentleman from Ohio says the cause of our embarrassments are widely different from those to which the opposition have attributed them; and adds, that they are to be found in "the overtrading, speculations, and extravagance of the times;" and that they have prevailed alike all over the civilized world. To the latter part of his assumption I have replied. Now as to our difficulties having principally grown out of a spirit of speculation, overtrading, and extravagance, I very readily admit he is correct in the abstract; but that these causes took their origin, and grew out of a still deeper cause—the downfall of the United States Bank—I think is unquestionable; and, in that event, the whole responsibility of the present embarrassments rests with the administration. Did not every statesman who spoke in favor of a recharter of that bank, predict that its overthrow would necessarily produce a swarm of local State banks, that would flood the whole country with their paper, as they did from 1811 to 1816? that this increase of our circulating medium would, by increasing the facilities of getting accommodations from the banks, necessarily produce a mania for speculation, and, as a necessary consequence, great extravagance and profusion in all classes of the community. It was no supernatural power by which the advocates of a bank were enabled to foresee and predict these consequences; to do this, they need but understand the history of their own Government, the then condition of the country, and the natural operation of certain causes that are inherent in the constitution of man. They saw many of the States without any other bank than the branches of the United States Bank, as was the case with Kentucky. They knew that, upon the downfall of the Bank of the United States, each State would perceive the necessity of making banks of its own, that would furnish, for its own purposes, a currency preferable to the paper of the local banks of the adjoining States. According to the prediction, as soon as the fall of the United States Bank was understood to be settled, we saw this work of manufacturing new banks commence and progress with the speed set forth in the table which I have read.

The gentleman says, we have no more constitutional power, and that it is not more our duty to regulate the currency, with a view of rendering it uniform, and to regulate and cheapen exchanges, than we have to transport the produce or stock of one portion of the Union to the other. And then he emphatically asks, "What is money?" and answers the question by asking, "Is it any thing but property?" Thus, by this short process, he satisfies his own mind that money is property, and that it is as much the duty of Government to furnish the means of transporting property, as money, from point to point. Now, after the Herculean work of improving the currency and cheapening exchanges, so successfully accomplished by that chief, who, last spring, in his farewell address, could not refrain from congratulating the country upon the successful and glorious accomplishment of this wise and patriotic undertaking of his, little did I expect to hear one of the great pillars of that brilliant administration, at this early day, get up and denounce the whole scheme as unconstitutional and unworthy of Congress. I do not intend here to submit any argument upon the constitutionality, either of the Bank of the United States, or upon the subject of its being the duty of Congress to furnish a sound and uniform currency; time and circumstances forbid such a course now. For I consider, if weight of authority ever can settle any question, the constitutionality of that bank is well settled, and, as to its utility, it cannot be denied by any one, who has any regard for his own veracity, or for the common decencies of life.

I will take occasion here to remark, however, that whilst I now am, and have ever been, an advocate of a United States bank, I differ widely with some of my political friends, in believing we ought to charter a great mammoth institution, with capital enough to supply the whole currency of the country, and to supersede the necessity of State banks. I believe in banking, as in every other branch of business, there ought to be competition, and, for one, I should regret to see the whole banking facilities of the country within the control of any one corporation. Whilst, then, I advocate a United States Bank, with a limited capital, guarded with proper restrictions, I am also in favor of a reasonable proportion of State banks. I believe them both useful and necessary to the sound, safe, and healthy operations of the business of this country.

The gentleman from Ohio, with much apparent surprise, took occasion to say that the opponents of the administration even contended that the measures presented by the administration at this session will extend no permanent and substantial relief to the country, and very emphatically asks whether any are prepared to deny that this bill, which proposes to extend a credit of four, six, and nine months to the deposite banks, is not a measure of permanent and substantial relief? Whether these banks would not, by this indulgence, be enabled to extend the necessary relief to the country?

It is very rarely, of late, that I am astonished at any thing I hear advanced in this House. But I must acknowledge I was perfectly astonished when I heard the honorable member, coming, as he does, from the West, and understanding, as he must, the condition of that country and the banks, utter this remarkable sentiment. They must have upon deposite some $9,000,000 of this money. To draw this vast sum of specie from these western and southern banks in the short space of time proposed, would bankrupt the whole country. It would be utter ruin to both the banks and the people, and yet their representative here most unceremoniously calls it substantial relief to the country. It is mockery! It is an insult to the understanding of this House and the whole nation. I venture to hazard the opinion that not another Western member will endorse the monstrous sentiment. I venture to say they will unite, in a body, to denounce this four, six, and nine months' measure as ruinous, and demand a further postponement for their constituents, so as to enable the States by their fourth instalment on the 1st of January, 1839, to come to the relief of their banks.

The opposition, adds the gentleman, not only oppose the proposed measures of relief, but refuse to bring forward any measure of their own; upon which that gentleman, distinguished for his great equanimity, broke out into a strain of the bitterest invective. He said, if disposed to indulge in the use of epithets that are daily thrown out against the administration, he would pronounce such a party a "corps of political mercenaries," "miserable demagogues," "the most unprincipled, corrupt, and rotten-hearted faction that has ever appeared in this country." But he declines using such language, and adds, "It belongs to the opposition vocabulary." In reply to all this, I will content myself by saying that I think the gentleman deserves about as much credit for his ingenuity, in avoiding the use of epithets towards his political opponents, as for the profound statesmanship shown in contending that a party in a decided minority in both Houses of Congress, with the President opposed to them, is deserving of such language for not bringing forward measures of relief. The opposition, at the commencement of this session, declared to the country that they were powerless; that the administration had majorities in both Houses, and were responsible to the country for measures of relief. But the members of the opposition

have not disguised their opinions either as to the cause of our distresses or as to the remedies for them; they have freely spoken of both, and for it have been reproached by the gentleman in terms like these. We have been told we should not stop for such purposes; that we should act, and not speak. The opposition are prepared for both upon any measures the administration have brought or may bring forward.

But, sir, the gentleman from Ohio, who has been most obviously fixed on by his party to deliver the defence of the administration against the assaults which have been made upon its policy of this session, has chosen to denominate, and I doubt not correctly, all the measures of this session as component parts of one grand system, and has as such treated of them in his elaborate speech. I will, as it seems no opposition member will follow me in the debate, proceed to respond to some of his arguments upon the other branches of this system.

He says: "The distress of which we hear so much is exaggerated. It exists only among particular classes of the community. It has not reached the great mass of the people." Whether the distress has been exaggerated or not, is a mere matter of opinion. I think it has not; and I think it has reached every class of the community. The sudden revulsion which has overtaken the country so astounded every person, that the whole people, with one accord, all over the Union, seemed to believe, and no doubt correctly, that the only way in which the credit of the country could be sustained was for every one to rally to the rescue, and offer upon the altar of his country's good a portion of his constitutional rights—the privilege of demanding specie for his dues; and thus has the shock been borne so far; but for this, no one could contemplate the extent of ruin which must have ensued.

Indeed, sir, as far as my acquaintance went, it was admitted by every body that the debts of the country could not be collected in specie. There has been in the West literally none in circulation since the suspension. The little that was there ceased to circulate, was bought up as a commodity, and transported to the Atlantic cities. It seemed to be agreed, as if by common consent, by every person, as far as my observation went, that, where the payments of debts was demanded, specie was not to be exacted, and that, if creditors claimed to exercise their constitutional right in demanding specie, the whole business of the country must cease, and society resolve into its original elements, and its members protect their property and possessions by physical force, until some relief could be afforded. I entertain no doubt that, if the debts of the country were now generally sued for and demanded in specie, you would find the officers unable to enforce the law, and the best citizens resisting its execution.

The constitution, which guaranties to every creditor the right to demand his debt in specie, has been in the West, from the suspension till now, virtually and practically abrogated, because of the physical inability of the country to furnish the constitutional medium. This matter is spoken of and understood by every man in the land, and it is reaching and affecting every interest in society. This Government, we are told by the administration, cannot get on for ten days without relief. The whole people are conducting their affairs, not in reference to the constitution and laws, but independent of both; yet we are told that our difficulties have not reached "the great mass of the people."

The gentleman says the foreign debt of which we hear so much, is not the debt of the nation, nor of the great mass of the people, but of the wealthy merchants, who have inundated this country with foreign goods, and who, as a class, have ever been venal and destitute of patriotism; who involved us in the late war, and then threw every impediment in the way of its successful prosecution, and herefore deserve no particular favor from Government.

Mr. Speaker, I stand here the representative of merchants; and if I was not, as a member of the American Congress, I trust I should never be so insensible to that justice which is due to every class of the community, of whom it may suit the purposes or tastes of gentleman here to speak disparagingly, as to remain silent when such sweeping, unjust denunciations are aimed at so useful and worthy a class. Sir, I feel very little like restraining myself within those bounds which parliamentary usage requires in responding to this extraordinary denunciation. The rules of this House, respect for myself and the place I fill, will not allow me to employ language that would adequately convey what, under other circumstances, I should feel inclined to say. I must, however, be allowed to remark that, according to my taste, which I would by no means set up as a test for others, I should feel myself unworthy of the seat I hold here, if I was capable of perpetrating in my place such cruel injustice towards so valuable, so estimable a class, as every *gentleman* knows the merchants of this country constitute. It sometimes happens that the most erroneous estimates are formed of particular classes and communities by those who have never found their way into the better orders of those classes and communities.

The merchant is nothing more than an agent or factor of the producer, the instrument by which our products are carried abroad, and exchanged for such foreign commodities as we need; he is as necessary and as useful a constituent part of society as is the producer or laborer; and you cannot blast his prosperity without sweeping with it the prosperity of the community with which he is connected. It is true, the importing merchant owes directly our foreign debt; but the merchant to whom he has sold his imported goods owes him, and the consumer who has bought of the retail merchant owes him; so that the foreign debt is at last owing by the whole consuming population, the great mass of the people. They have to pay it; they are willing and able to pay it, if this Government will suffer them to have a currency, through the medium of which their surplus products can get to market without their losing from ten to twenty-five per cent.

The people of all the States owe their proportion of this debt, and they can only pay it off by selling their products for the money with which to pay the merchants from whom they bought their goods. The farmers of the Western and Northern States depend upon the flour, the pork, the beef, the mules, and the horses, which they send to the great staple States of the South and Southwest, out of which to raise the money to liquidate their part of this debt. Our produce or stock, when sent to a Southern State, say Mississippi, is sold for the currency of that State, which is inconvertible; it is brought home and sold for specie, or the local circulation, with which to pay the merchants, at a discount or loss of from 20 to 25 per cent. Thus a fourth of their gross sales are lost; out of the remaining three-fourths they have to supply their families, and appropriate what little balance remains toward paying their proportion of this foreign debt. Sir, if this Government had been in the hands of merchants, you would never have seen your currency in its present condition, and our people ground into the dust as they now are. The merchants need no eulogy from me. I stand here the eulogist of no class, but as the defender of those whose very name is the best passport which our countrymen can bear to every foreign land where this Government is known. I will not so far forget what is due to the merchants of this country as to institute a comparison between them and the truckling, time-serving demagogues of the day, whom fortune has thrown into stations, of which they avail themselves to traduce and slander those with whom they are not worthy to be compared.

But let us proceed, and examine further into what has been denominated by the member from Ohio as miserable,

false, newspaper slang, upon the subject of two currencies, one for the Government, and the other for the people.

Is it not known to all that, in consequence of the deranged state of the currency, the people receive their debts and transact their daily business in the paper money of the country, and that otherwise the regular business of the country could not continue a single day? And yet no gentleman who has any self-respect can deny that the officers of the Government, who draw high salaries, are paid out of your Treasury in specie; whilst your poor day laborers, the soldiers who fight your battles, and the old pensioner, who has spent the days of his youth, and worn out his constitution, in fighting for that liberty which our fathers transmitted us, have to receive their pay in paper, eight or ten cents in the dollar less valuable than specie. Instances have occurred under my own observation, which should make this administration blush, if it was not insensible to shame.

But the other day I went, with a colleague and a friend of the administration, to some of the public offices, to attend to some business for his constituents; he got a check on the "Bank of the Metropolis" for some pension money of a revolutionary soldier, which he had to receive in paper, whilst he and I, and you, sir, are paid in gold and silver. That gentleman was struck with the enormity of such a state of things, and could not forbear to remark upon its hardship and injustice.

In a few days afterwards, in passing by some day-laborers employed by the Government, either I, or the gentleman with me, asked what sort of currency they were paid in, to which one, who bore the appearance of a brave, hardy soldier, remarked: "In city paper," and that he was glad to get it; for it was much better than the paper in which he had been paid off for his services whilst in our army, marching in search of our Southern Indians; that he had drawn from this Government $200 in Southern bank paper, for his services in the army, which, upon reaching his home in this city, he had to shave off at a loss of twenty cents to the dollar, amounting in all to the sum of forty dollars—no inconsiderable loss for a common soldier out of his daily wages. Upon the other hand, a member of Congress from Mississippi, Louisiana, or Arkansas, who draws about $2,000 for mileage, gets his pay in specie, can sell that specie upon his arrival here at eight and a half per cent. advance, making $170 of profit, and then, if he choose, he could buy with the paper currency of this place Southern paper, as I have understood, at a discount of twenty per cent. by which he could realize about $400 more, making in all the sum of $570 by this shaving operation, growing out of the better currency with which this administration has blessed the country. There are members, too, from the North who will realize enough by shaving off their mileage and pay to defray their expenses from the time they left their homes until their return. I do not mention this by way of disparaging those who have sold their specie; it constitutes no portion of our circulation; it is a commodity, and is bought and sold accordingly. The Secretary gave notice, through the public prints, that he had the specie on hand with which to pay the members of Congress. They felt, that if the specie was to be paid out to the President and his Secretaries, and their friends, there was no reason, when asked by the Secretary whether they preferred specie to paper, why they should not speak the truth. At first I could not understand why members of Congress were offered a choice between specie and paper; but when I recollect that the President, whose salary is $25,000 per year, and the Secretary of the Treasury, whose pay is $6,000 per year, were the persons who had the making of these offers, and that the one would draw about $500, and the other about $2,125 per year more, if paid in specie than if they were paid in paper, my difficulty was removed. Perhaps the administration thought the responsibility of paying themselves in specie would be lightened by throwing it partly on Congress. But there it cannot rest.

Notwithstanding all this, when the opposition say there are two currencies, they are charged with repeating miserable slang. The Government, after bringing this state of things on the country, has convened Congress, and proposes no relief to the people; but only proposes means by which the Government can get on, leaving the people to buffet, as best they can, with the insurmountable difficulties that are now overwhelming the country.

But, Mr. Speaker, great as are the embarrassments with which our whole country is overwhelmed, I value them all as nothing when compared with the evils that I perceive the administration has in store for us. We have, thank God, sir, the best population on earth, and a country incomparably beyond any other in its exhaustless resources of wealth and greatness. Our people understand more of the principles of their Government, more of the principles of civil liberty, than any population that has ever existed upon the face of this earth. And all, yes all, sir, has grown out of that happy form of Government which the wisdom of our fathers transmitted to us. As long as we preserve our constitutional liberty, as long as we can maintain the supremacy of our constitution over the will of our rulers, all is safe. When the emergency requires, I am prepared to yield up all that relates to the right of property and subordinate municipal regulations; but I will cling to this constitution, to the great principles of civil liberty as secured to my country by that constitution, as the only valuable fragment that is left of that mighty wreck which the folly of our rulers has brought upon the land. Executive patronage is the source from whence the constitution has most to apprehend. Whilst wielded by the popular military chieftain, who has just left the Executive chair, it was believed by many of the best and wisest in the land to be too powerful for the constitution.

The administration project of which I speak, and which I so much fear, is the proposed sub-Treasury system, by which, we are told by the President, through his organs in this House, the public funds are to be kept as safely, the fiscal operations of the Government facilitated, and the patronage of the President curtailed. Let us then, for a moment, examine first into the relative safety of the public moneys when in banks and when in the hands of sub-treasurers, or Government agents. In the first place, then, what has been our experience—the best of teachers? For the period of more than thirty-six years, during which the Bank of the United States had charge of the Government deposites, not one dollar was lost by it to the Government, nor did that institution, at any time during this period, fail to perform, as a fiscal agent of the Government, every thing that was required of it. Whilst, upon the other hand, in the thirty years between 1789 and 1819, as appears from a reporter of Mr. Crawford, this Government lost upwards of $3,000,000 by the defalcations of its collecting and disbursing officers, who had nothing to do with the money except during the short periods it was passing from those who paid it to the Government till it reached the banks, and then from the banks to the public creditors. If this vast amount of our revenue stuck to the fingers of the officers of the Government whilst it was passing thus rapidly through their hands, how much greater would have been the loss to the Government if they had been permanent keepers of it!

But, again, if such heavy losses were sustained at a time when our revenues were comparatively so small, and when officers were selected, according to Mr. Jefferson's rule, for their capacity and integrity, what may we expect our losses to be if our vast revenues are to be permanently kept by sub-treasurers, selected at this day, when officers are proscribed for their honesty, and their places filled by the most

unscrupulous brawling partisans of power! The President, in that portion of his message where he treats of this favorite project of his, says the objections to it are founded upon the mistaken supposition that "a vault in a bank, is stronger than a vault in the Treasury." Not at all, sir; but upon very different grounds do the opponents of his plan rest their objections to it, in a pecuniary point of view; which, by-the-by, is the very least of their objections to it. It is, that the keys of those vaults are to be entrusted to his numberless sub-treasurers, selected, not as banks select their officers, for moral integrity and capacity, but for their dirty party services! These sub-treasurers, when a general election approaches, upon which depends, perhaps, the fate of the "great democratic party," will likely feel themselves called on to use a few thousand dollars of the people's money for the success of the people's cause; and if they are finally defeated, they will feel that for their extra services in the cause of the people they are entitled to extra compensation; and, as they have the fixing of the amount, it is highly probable they will be well paid.

But the safety of the public funds, though a subject of great importance in itself, when compared with the objection to "the sub-Treasury system" growing out of the enormous increase of Executive power, shrinks into utter insignificance. I hold that the loss of the largest amount of money of which these sub-treasurers could possibly rob the Treasury, is not worthy to be compared with a loss of any one of those great principles of civil liberty for which our fathers so valiantly fought.

The principle of spoils and plunder, upon which the late administration has been openly conducted, have justly excited the most solemn and awful apprehensions with all patriots who have taken the trouble to look into the mighty engine through which it was brought in conflict with the freedom of elections. According to the wise organization of our free Government, all political power is derived through the ballot-box; and whenever we place in the Executive the means of corrupting and controlling this fountain of power, we destroy all the checks which the forms of our constitution have imposed upon him.

Bitter experience has taught us, during the late administration, that the hundred thousand officeholders, who hold their stations by no other tenure than the President's good will, together with the vast appropriations which an administration Congress annually made, and the unparalleled popularity of the late Executive, gave to him a power to which constitutional restraints offered but a feeble and unavailing barrier. And the only hope of those who apprehended danger from this source was, that no other President would ever again have such a hold on public favor as the then incumbent. No sooner, however, was the successor of this remarkable man seated in his chair of State, than he comes forward and proposes to us, and asks our concurrence in, a system by which this very Executive power will be almost doubly increased. How many offices this system will render it necessary to employ, it is impossible to tell; but, just as is the number increased, so is Executive power increased. We are told by our late minister to France, in his very able speech delivered a short time since, in the other end of the Capitol, that, while in France, he instituted an inquiry upon the subject of the number of officers employed under the sub-Treasury system of that country, and learned there was the enormous number of one hundred thousand. If that is the number thought to be actually necessary in France, where the throne is hereditary, and where the King has no motive, such as he would have if he were to be elected every four years, to increase that number in order thereby to increase his power and the better to secure his election, what would be the number to which the officers under the system would be run up in this country, where there would be every possible motive for increase? It is impossible to tell. No mortal twenty years since would have supposed the ingenuity of man could have devised ways and means by which to employ fifty thousand officers in this Government, whilst now we perceive we have twice that number. So it will be in this country if this sub-Treasury system, this new engine of power, is organized; the number will increase from year to year, until in all probability it will become as great as that now employed in France.

Already, sir, we have one-twentieth man in the Union an officer dependent upon the Executive. Organize your sub-Treasury system, and you double that number, and make every tenth man an officer. For, be it recollected, that we have less than 2,000,000 votes in this Government. And what a spectacle shall we then have presented for our observation. A President of the United States, ex officio, commander-in-chief of our army, with 200,000 dependent stipendiaries, with the whole Treasury in their absolute, unqualified control, waiting, anxiously waiting, to do his bidding! I ask you, sir, I ask every man here who has a particle of patriotism left, is a mammoth power like this consistent with liberty? If it be once organized, will the form of our free Government, as embodied in our constitution, be worth contending for? The President will be absolute, and the people will be slaves! And not less slaves because our President may be a merciful man. The good man's slave may live through life insensible of his chains, but he is not therefore less a slave. And, notwithstanding all this, what is the language employed by the President through his leading organs on this floor? Here it is, in the language of the honorable gentleman from Ohio. He remarked, "Here is the Executive of our Government voluntarily proposing to relinquish patronage, and those who are in opposition striving to retain it in his possession, to force it upon him. It is perhaps the first instance in the history of free Governments where such a proposition has been made, and has met with opposition in such a quarter."

That the leading debater of the administration, upon whose words, as they dropped, his party hung in rapturous delight, around whom, upon the conclusion of his speech, they flocked to take him by the hand and congratulate him on his effort, should, upon the floor of Congress, in the face of the American people, assert that the President, in submitting this scheme, was "voluntarily proposing to relinquish patronage," presents the strangest and most melancholy scene that I have ever beheld in this Hall!

There was a period in British history similar to the present in ours, when there was an excited contest carried on for years between the King, in favor of regal patronage and power, and the people against them. The people saw that the growing influence which the King brought to bear through his officeholders upon elections was increasing with alarming rapidity; they believed it was endangering English liberty; they resolved to check it, and by a single act of Parliament, which the King did not dare to veto, but was compelled to sign, forty thousand officeholders, one-seventh of all the voters in the kingdom, were disfranchised, and prohibited, by the heaviest penalties, from interfering in any manner with elections. What if, during this struggle, so analogous to that now going on between the people of this Government and the President, a member of Parliament, a leading and acknowledged organ of the King, had arisen in his place, and submitted a proposition to organize a fiscal agent of the Government, which would devolve upon the King the appointment of a hundred thousand new officers, to hold their stations at his will, and had denominated it a measure calculated to curtail the patronage of the King, how many members of Parliament, upon his concluding his speech, do you suppose, would have gathered around him, taken him by the hand, congratulated him upon his effort, and edorsed the sentiment?

The President, Mr. Speaker, underrates the intelligence

of the age. He is mistaken if he supposes he can gull the great mass of the American people into the support of this measure, as one calculated to curtail Executive patronage. If he is not, the experiment which we are now testing by our form of Government must inevitably fail!

[Before Mr. GRAVES had concluded his remarks, as given entire above,

Mr. MERCER proposed a recess of an hour, to enable members to get refreshments.

The CHAIR reminded the gentleman that this could not be moved unless by the assent of the House.

It being objected to, Mr. MERCER moved the suspension of the rules to enable him to offer the proposition.

Mr. PETRIKIN moved a call of the House; upon which,

Mr. MERCER withdrew his motion.

Mr. GRAVES was about to proceed with his remarks,

When Mr. PHILLIPS renewed Mr. MERCER's motion, observing that it seemed so reasonable, that he did not doubt it would succeed. It was objected to, and, on Mr. P's moving for a suspension of the rules, Mr. PETRIKIN again moved a call of the House; which was refused. The motion to suspend the rules was then put, and there was found to be no quorum on the division, which stood: Yeas 63, nays 24.

Mr. CAMBRELENG suggested the propriety and expediency of the proposition.

Mr. W. COST JOHNSON said he was anxious to have this question taken. He had expected it would have been taken on yesterday by general consent. For himself, though he had never in his life voted for the previous question, he was willing to do so now whenever it should be proposed on this bill. He was in favor of the proposed recess, and hoped that after that the question would be speedily taken.

Mr. GLASCOCK was opposed the motion, unless it could be general, and apply to every day. He was in the habit of remaining in the House, and procuring refreshments below.

Mr. GRAVES concurred in the motion for a recess, and expressed the opinion that, as the whiskey had been banished from below, there might now be a chance of better attendance.

Mr. PHILLIPS having altered his motion so as to make to-day's recess an hour, and hereafter to take place at three and last till four o'clock during this session, the question was put thereon, and no quorum voted: Yeas 74, nays 15.

Mr. CHAMBERS moved to adjourn.

Mr. DAWSON asked for the yeas and nays.

Mr. CHAMBERS withdrew his motion, and remarked that it was strange that an aristocracy of 15 should set itself up against the "democracy of numbers," and control their action.

Mr. GHOLSON confessed himself to be one of that "aristocracy." If the question could be first taken on this bill, he, for one, would not withhold his assent to the proposed recess. But the question had been discussed beyond the time when the gentleman from Kentucky [Mr. CHAMBERS] and others had said they would pledge themselves to go for its decision.

Mr. CHAMBERS asked if Mr. GHOLSON intended to intimate that on his part that pledge had been violated?

Mr. GHOLSON disclaimed such an intimation.

Mr. CHAMBERS thought the House presented a ridiculous spectacle to the gallaries and to the public; and asked how a description of the scene they were presenting would look in the public prints?

Mr. MARTIN moved a call of the House; which was refused.

Mr. POPE moved an adjournment.

Mr. GHOLSON asked for the yeas and nays.

Mr. POPE withdrew his motion.

The SPEAKER counted the House, and ascertained that there were within three of a quorum present. Several gentlemen coming in, he decided that there was then a quorum.

Mr. PHILLIPS, renewed his motion to suspend the rules, and one less than a quorum voted.

The SPEAKER then requesting all members present to vote on one or the other side, again put the question, which was carried: Yeas 89, nays 37. So the rules were suspended.

Mr. PHILLIPS's motion, modified, after some desultory conversation, so as to fix the time hereafter during the session at from half-past 2 to 4 o'clock, was then declared to be before the House.

Mr. GRAHAM moved to strike out the provision relating to this day, as several gentlemen had now come in, and there was probably a quorum.

Mr. MERCER hoped that in that case the gentlemen who had been home and got their dinners and returned, would be excused from voting on the question. [A laugh.]

Mr. GRAHAM's amendment was lost.

Mr. PHILLIPS's motion, as modified, prevailed, and the House, at half past three, took a recess for one hour.]

EVENING SESSION.

Upon the assembling of the House at half past four o'clock, there being but very few members present,

Mr. McKAY moved a call of the House; and, upon taking the question, there appeared yeas 38, nays 38; the Chair voting in the affirmative, the call was accordingly ordered, and a quorum having appeared, its further proceedings were dispensed with.

FOURTH INSTALMENT BILL.

The House resumed the consideration of the "bill to postpone the fourth instalment of deposites with the States."

Mr. GRAVES concluded his remarks in opposition to the bill.

Mr. CUSHMAN rose and remarked that this question had long been very considerably and very fully discussed, and, he believed, to the satisfaction of every gentleman of the House. He believed that any further discussion of it would be entirely useless, and the House was worn down with the debate. Still, he confessed, he should be very happy if the House would then pass upon the several amendments submitted in Committee of the Whole, if it could be done without further delay. He rose for the purpose of asking whether it was not the sense of the House that the discussion had been carried as far as it ought to be? whether the subject had not been fully and fairly debated—sufficiently debated? In the full belief that it had, it was his intention to call for the previous question; but although he had risen for that purpose, he would make this proposition—

Mr. ROBERTSON. I call the gentleman to order. The previous question cannot be debated.

Mr. CUSHMAN. I am going to make this proposition. If it meets the general approbation of the House to close the debate, I should be willing to have the vote taken upon every amendment, and give the movers of them an opportunity of calling for the yeas and nays on each. For the purpose, however, of testing the sense of the House to bring this discussion to a close, I move the previous question.

Mr. HAYNES moved a call of the House.

Mr. RIVES expressed his willingness to assent to the proposition of the gentleman from New Hampshire, and he presumed it would be generally assented to by the House.

It was true they had had a very protracted debate upon this subject, and he had been anxious to reach this vote. There had been various amendments presented to the bill

under consideration. It was a subject of vast importance, and there were some gentlemen who would prefer the bill with some of the amendments, to having it without. There were others who preferred it in its original shape. But in order that each gentleman's views should be distinctly understood, especially of those who preferred amendments, he would wish the proposition of the gentleman who moved the previous question to be assented to, provided the House would permit the question to be taken on each amendment without further discussion. ["Agreed, agreed," from many voices.] Mr. R. added that, before he took his seat, he hoped no one would take the floor for the purpose of entering into an argument.

Mr. MASON of Virginia said he could not offer his amendment on those terms.

Mr. UNDERWOOD said he should be very glad to move his amendment upon the terms suggested.

Mr. OWENS then asked for the yeas and nays on the motion for a call of the House, which were ordered, and were: Yeas 112, Nays 100.

So the call was ordered.

After proceeding till it was ascertained that 24 members more were present, on motion of

Mr. HAYNES, all further proceedings in the call were dispensed with.

Mr. SMITH arose, and commenced by saying: Mr. Speaker, I believe there can be now effected a general assent on the part of the House. [Mr. S. was here interrupted by loud cries of "order."]

The demand for the previous question was then seconded by the House, tellers having been appointed: Yeas 107, nays 78.

Mr. REED called for the yeas and nays on the question, Shall the main question be now put? which were ordered, and were: Yeas 123, Nays 102, as follows:

Yeas—Messrs. Anderson, Andrews, Atherton, Aycrigg, Beatty, Beirne, Bicknell, Birdsall, Boon, Borden, Bouldin, Brodhead, Bruyn, Buchanan, Bynum, John Calhoon, Cambreleng, Timothy J. Carter, Casey, Chaney, Cilley, Cleveland, Coles, Connor, Craig, Crockett, Curtis, Cushman, Deberry, DeGraff, Dennis, Dromgoole, Edwards, Farrington, Fairfield, Isaac Fletcher, Fry, Gallup, Haley, Halstead, Hammond, Hamer, Harrison, Hawkins, Haynes, Henry, Holsey, Holt, Hopkins, Howard, Hubley, William H. Hunter, Ingham, Thos. B. Jackson, Jabez Jackson, Joseph Johnson, William Cost Johnson, Nathaniel Jones, John W. Jones, Kemble, Kilgore, Klingensmith, Leadbetter, Logan, Arphaxed Loomis, Mallory, May, McKay, Robert McClellan, Abraham McClellan, McClure, McKim, Milligan, Miller, Montgomery, Moore, Morgan, Samuel W. Morris, Muhlenberg, Murray, Noble, Owens, Palmer, Parker, Parmenter, Paynter, Pennybacker, Petrikin, Phelps, Plumer, Potter, Pratt, Prentiss, Randolph, Reily, Richardson, Sheffer, Charles Shepard, Shields, Sheplor, Smith, Snyder, Spencer, Stewart, Stratton, Taylor, Thomas, Toucey, Towns, Turney, Underwood, Vail, Vanderveer, Wagener, Webster, Weeks, Thomas T. Whittlesey, Sherrod Williams, Jared W. Williams, Christopher H. Williams, Worthington, Yell, York—123.

Nays—Messrs. Adams, Alexander, Heman Allen, John W. Allen, Bell, Biddle, Bond, Briggs, Bronson, William H. Calhoun, William B. Campbell, John Campbell, William B. Carter, Chapman, Cheatham, Claiborne, Clark, Clowney, Corwin, Crary, Cranston, Cushing, Darlington, Dawson, Davee, Davies, Dunn, Elmore, Evans, Everett, Ewing, Richard Fletcher, Foster, Rice Garland, Gholson, Glascock, Goode, James Graham, William Graham, Grantland, Grant, Gray, Grennell, Griffin, Hall, Harlan, Harper, Hastings, Hawes, Herod, Hoffman, Robt. M. T. Hunter, Jenifer, Henry Johnson, Legare, Lewis, Lincoln, Andrew W. Loomis, Lyon, Marvin, James M. Mason, Martin, Maury, Maxwell, Mercer, Mathias Morris, Calvary Morris, Naylor, Ogle, Patterson, Patton, Pearce, Peck, Phillips, Pickens, Potts, Rariden, Reed, Rencher, Rhett, Ridgway, Rives, Robertson, Rumsey, Russell, Sawyer, Sergeant, Augustine H. Shepperd, Sibley, Slade, Southgate, Stanly, Taliaferro, Thompson, Tillinghast, Titus, Toland, Albert S. White, John White, Elisha Whittlesey, Lewis Williams, Jos. L. Williams—102.

So the House determined that the main question be now put.

The main question, being on ordering the bill to a third reading, then recurring—

Mr. BRIGGS asked for the yeas and nays thereon; which were ordered, and were: Yeas 119, Nays 117, as follows:

Yeas—Messrs. Anderson, Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Boon Bouldin, Brodhead, Bronson, Bruyn, Buchanan, Bynum, Cambreleng, T. J. Carter, Chaney, Chapman, Cilley, Claiborne, Clark, Cleveland, Coles, Connor, Craig, Cushman, Davee, DeGraff, Dromgoole, Duncan, Edwards, Farrington, Fairfield, I. Fletcher, Foster, Fry, Gallup, Gholson, Glascock, Grantland, Grant, Haley, Hammond, Hamer, Harrison, Hawkins, Haynes, Holsey, Holt, Howard, Hubley, William H. Hunter, R. M. T. Hunter, Ingham, T. B. Jackson, J. Jackson, J. Johnson, N. Jones, John W. Jones, Kemble, Kilgore, Klingensmith, Legare, Leadbetter, Lewis Logan, Arphaxed Loomis, Lyon, James M. Mason, Martin, McKay, Robt. McClellan, A. McClellan, McClure, McKim, Miller, Moore, Morgan, Samuel W. Morris, Muhlenberg, Murray, Noble, Owens, Palmer, Parker, Parmenter, Patton, Paynter, Pennybacker, Petrikin, Phelps, Pickens, Plumer, Potter, Pratt, Prentiss, Reily, Richardson, Rives, Sawyer, Sheffer, Sheplor, Spencer, Stewart, Taylor, Thomas, Titus, Toucey, Towns, Turney, Vail, Vanderveer, Wagener, Webster, Weeks, Thomas T. Whittlesey, Jared W. Williams, Worthington, Yell—119.

Nays—Messrs. Adams, Alexander, Heman Allen, John W. Allen, Aycrigg, Bell, Biddle, Bond, Borden, Briggs, William B. Calhoun, John Calhoon, W. B. Campbell, John Campbell, W. B. Carter, Casey, Chambers, Cheatham, Childs, Clowney, Corwin, Crary, Cranston, Crockett, Curtis, Cushing, Darlington, Dawson, Davies, Deberry, Dennis, Dunn, Elmore, Evans, Everett, Ewing, Richard Fletcher, Filmore, Rice Garland, Goode, James Graham, W. Graham, Graves, Gray, Grennell, Griffin, Hall, Halstead, Harlan, Harper, Hastings, Hawes, Henry, Herod, Hoffman, Hopkins, Jenifer, H. Johnson, W. C. Johnson, Lincoln, Andrew W. Loomis, Mallory, Marvin, Samson Mason, Maury, May, Maxwell, McKennan, Menefee, Mercer, Milligan, Montgomery, Mathias Morris, Calvary Morris, Naylor, Noyes, Ogle, Patterson, Pearce, Peck, Phillips, Pope, Potts, Rariden, Randolph, Reed, Rencher, Rhett, Ridgway, Robertson, Rumsey, Russell, Sergeant, Augustine H. Shepperd, Charles Shepard, Shields, Sibley, Slade, Smith, Snyder, Southgate, Stanly Stratton, Taliaferro, Thompson, Tillinghast, Toland, Underwood, Albert S. White, John White, Elisha Whittlesey, Lewis Williams, Sherrod Williams, Joseph L. Williams, Christopher H. Williams, Wise, Yorke—117.

So the bill was ordered to a third reading.

Mr. PICKENS, having voted in the majority, moved to reconsider the above vote; which motion lies over for tomorrow. Mr. P. then gave notice that he should then submit his amendment.

And, on his motion, the House adjourned.

Friday, Sept. 29.

MISSISSIPPI ELECTION.

The House then proceeded to the consideration of the business of the morning hour, being the report of the Com-

mittee of Elections, which was accompanied by the following resolution:

"*Resolved*, That Samuel J. Gholson and John F. H. Claiborne are duly elected members of the 25th Congress, and as such are entitled to take their seats."

The question pending was the motion of Mr. MAURY to strike out all after the word "*Resolved*," and insert "That Samuel J. Gholson and John F. H. Claiborne, not being duly elected members of the House of Representatives of the 25th Congress of the United States, are not entitled to seats on this floor as such."

Mr. TURNEY rose, and addressed the Chair as follows:

Mr. Speaker: The question submitted for the consideration of the House, by the report of the Committee of Elections now on your table, is one that is new and somewhat novel in its character. We are now called on, for the first time since the adoption of the constitution of the United States, to put a construction on the second section of the first article of that instrument, which is in these words: "When vacancies happen in the representation from any State, the Executive authority thereof shall issue writs of election to fill such vacancies." In order to arrive at the legitimate interpretation of this section, gentlemen advocating different sides of this perplexed question have had reference to the third section of the first article of the same instrument, which provides for the filling of vacancies that may happen in the United States Senate. They have also read and commented on the cases of Lanman and Sevier, and insisted that those cases are decisive of the question now under consideration.

I have taken a different view of this subject. Let us for a moment reflect and see what was intended to be provided for by each of those sections, by which means I think we will be enabled to arrive at the true intent and meaning of the section which provides for the filling of vacancies in this House; and, in doing this, I do not feel myself called on to inquire into the correctness of the cases before referred to. I hold, sir, that the framers of the constitution did intend that each State should have its full representation in each branch of the Congress of the United States, and effectually to secure which the two sections which I have adverted were inserted, and in each of which the word *happen* is used. The use of this word creates the only doubt or difficulty in the case. Let us compare the two sections, and see if we cannot, by that means, arrive at the sense and meaning of the word *happen*, which the framers of that instrument intended it to have. Let it be borne in mind that, in the case of a Senator, the vacancy is to be filled, not by an election, the only safe and constitutional mode of appointing members of that body, but by the temporary appointment of the Governor, to continue only until the Legislature of the State shall be in session, when they shall fill such vacancy. This, sir, was conferring a very extraordinary power upon the Executive of a State; one, in the opinion of the framers of the constitution, very unsafe, and therefore not to be exercised, except on extraordinary occasions and times of great emergency. And, sir, to prevent an abuse of that power by the executive authorities of the States, the framers of the constitution have carefully inserted additional guards to prevent executive usurpations of power. This, sir, brings us to a more minute and critical examination and comparison of the two sections of the constitution now under consideration.

The second section, sir, simply provides that if vacancies should happen in the representation of any State, then the Executive thereof shall issue his writ of election to fill such vacancies. In the case of a Senator the provision is very different. It provides that should a vacancy happen, by resignation or otherwise, in the recess of the Legislature, then the Executive may appoint, &c.

Here, sir, to authorize the Executive to make an appointment, there must not only be a vacancy, but that vacancy must have occurred in the recess of the Legislature, and by resignation or otherwise. Permit me to ask you, Mr. Speaker, why these words were used in the third section? Were they not used for the purpose of limiting and restricting the power of the Governor? And was not this limitation and this restriction imposed to prevent the frequent use of a power which the framers of the constitution believed to be safely, and with more propriety, lodged with the immediate representatives of the people? This, sir, it seems to me, will not be controverted by any one. Then they fixed the tenure of the Senatorial office at six years. It was believed that no vacancy could or would happen in the recess of the Legislature, except those produced by resignation, death, or removal, and therefore they made the power to appoint to be dependent on the cause which produced the vacancy, to wit: by resignation or otherwise. It cannot, and, I presume, will not, be pretended that the word *otherwise*, as used in the section, will have the effect, or was designed, to destroy the sense and meaning of the words *by resignation*; but all must agree that that word was inserted to cover every possible case where a vacancy occurred by any unforeseen event, and in the recess of the Legislature; and, sir, I am fully sustained in this conclusion by the cases which have been referred to.

We come now, Mr. Speaker, to consider more fully the second section of the first article of the constitution of the United States. Here we find no such language to limit and restrict the power of the Governor of a State to issue his writ to fill a vacancy in this House as that which we find to limit and restrict his power to fill a vacancy in the Senate by his own appointment. In the case of a Senator, sir, I have shown the vacancy is to be filled, not by the safe and constitutional mode of an election, but by the legally constituted authority, giving rise to an uncertain and dangerous exercise of Executive patronage.

How, sir, in relation to filling vacancies which occur in this House, is there a departure from the fundamental principles of the Government? In this case, the member is to be elected by the people; and will any member on this floor pretend that the people cannot at all times, and under all circumstances, be trusted to choose their own agents to represent them in this House?

But, sir, to return to the section under consideration. If the framers of the constitution intended to limit the power of the Executive to issue his writ of election to cases where the vacancy had not only happened, but to such vacancies as had been produced by "resignation or otherwise" of the incumbent, I ask why they did not so express it by their language, as they did in the case of Senator? Sir, the fact of their failing to do so, coupled with the consideration that there was no good reason why this power should be limited, is conclusive, to my mind, that such was not their intention; and I am more inclined to this opinion from the consideration that the meaning of the word *happen*, as used in this section, was a subject of deliberation when the constitution was framed, and that it was intended to authorize and empower the Executive to issue his writ of election in all cases where a vacancy existed in the representation of a State. In the case of Senator, the power of the State Executive is made to depend not alone upon the fact of vacancy, but that that vacancy must have been produced by a specified cause. There the constitution looks not only to the vacancy to be filled, but also to the cause which produced it. In this case, however, the constitution looks alone to the vacancy, and, if it is found to exist, it provides the mode and manner by which it is to be filled. This, sir, has been done in this instance, and in strict conformity with the provisions of the constitution.

But suppose, sir, I were mistaken in this view of the

subject, and that it should be believed, as insisted on by my colleague, [Mr. MAURY,] that the second section is to be viewed and interpreted in the same limited and restricted sense that is embraced in the third section, still, sir, if the case of Sevier is to be received as authority, Messrs. Claiborne and Gholson are entitled to their seats. In that case the vacancy happened by the expiration of the term of service of the Senator, and that term was made to depend upon the allotment of the Senator, which allotment and expiration happened during the recess of the Legislature, and, of course, was unforeseen, and, consequently, could not be provided for. In this case, sir, the Senate has made the word *otherwise* embrace not only the cases of death or removal, but also to embrace every possible case of unforeseen vacancy, although that vacancy may happen by the expiration of the term of service. What, sir, is this case? The constitution provides that Congress shall convene at least once a year, and that the time of meeting, until otherwise altered by law, shall be on the first Monday in December. It also authorizes the President to convene Congress on extraordinary occasions. Here, sir, the Legislature of Mississippi, with a full knowledge that Congress was not to meet until the month of December, had fixed by law the day of election in the month of November, in ample time for their members to arrive in time to take their seats on the first day of the session. But, sir, in the mind of the President of the United States, Congress ought to be convened, to consider of and act upon weighty and important business of the nation, at an earlier day than that fixed by the constitution, and he accordingly issues his proclamation for that purpose. Did the Legislature of Mississippi know that the President would issue his proclamation? Could they have known of those extraordinary events which rendered it necessary for him to do so? or were not those circumstances which rendered the filling of the vacancies of the representation from that State at an earlier period than that fixed by the constitution, and were not all these circumstances, unforeseen by them? If so, sir, then, according to the strictest construction contended for, those gentlemen are entitled to their seats.

But, Mr. Speaker, it is contended by the gentleman from Kentucky that, forasmuch as the constitution requires that the Legislatures of the States should fix the times and places of holding elections, this election is void, because the Legislature of Mississippi had not by law fixed the day on which this election was held as the day of election of their representatives to this House. This argument, sir, if it prove any thing, proves too much; for, sir, if no elections but those held on the days fixed by law are legal, then, sir, if a seat was vacated, either by resignation, or death, or removal, the Executive of the State would have no power to issue his writ of election to fill such vacancy, because he would have no power to prescribe the time of holding the same. This general provision of the constitution, and the laws enacted in pursuance thereof, were only intended to regulate the time, place, and manner of conducting the general elections; and was not intended to interfere with or to abridge the power in those special cases, provided for in the section under which this election was held.

Mr. Speaker, permit me here to admonish gentlemen to pause and reflect before they give their votes denying to the people of Mississippi the right to be represented on this floor; a right, sir, which has been secured to them by that instrument which gives life and existence to this Government, and which, sir, each of us stands most solemnly pledged to support. I am one of those, sir, who believe that the people are capable of self-government, and that they can, and ought to be, trusted at all times, and under all circumstances; and when I am called on to give a construction to the great charter of our liberties, I shall endeavor to adopt that rule of interpretation which will best secure to the great mass of the people their full privileges and powers; and knowing, as I do, that the State of Mississippi has an undeniable right to her representation in this House, and believing that her late election was at least authorized by the spirit and meaning of the constitution, and also by its letter, I will, sir, unless the reasons which have brought my mind to this conclusion shall be met and confuted, vote for a concurrence in the report upon your table.

Mr. TOWNS addressed the Chair as follows:

Mr. Speaker: I concur with the honorable member from Tennessee, [Mr. TURNEY,] who has just taken his seat, that much respect is due to the will of the people of Mississippi, as expressed at their late election. I will not yield to that gentleman, or any other, in giving effect to the popular will, when I can do so consistently with the high obligation I owe to the constitution and laws of the country. Nor do I admire less than the gentleman the course of the sitting members in meeting promptly, and without reserve or concealment, the question raised on the first day of this session by the honorable member from Virginia, [Mr. MERCER,] affecting their right to a seat on this floor. Whatever may be the decision of the House, I am free to admit, I am gratified to say, that the deportment of the gentlemen from Mississippi, [Messrs. CLAIBORNE and GHOLSON,] throughout the investigation, has been characteristic of an elevated feeling, a high sense of honor, and a thorough conviction, on their part, that they are duly authorized to discharge the duties of representatives on this floor.

Mr. Speaker, my situation is somewhat peculiar in reference to this subject. I was one of the committee to whom this question was referred, and one of the minority of that committee, who dissented from the report of the majority. A duty I owe myself, as well as the House, requires that I should distinctly state the grounds of my opinion. Let me premise, sir, that I claim but little weight for my opinions. I have, at best, but little relish for the discussion of a purely legal question. But, sir, when I say this, I should add, that the honorable gentlemen from Mississippi are my personal and political friends, than whom there are none more entitled to my regard, or enjoy my good opinion in a higher degree. Sir, I will go further. It is due to candor that I should state that my feelings have been with the sitting members, while my judgment has been against them. Having said this much, I will at once proceed to the question.

The fourth section of the first article of the constitution of the United States provides that "the times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State thereof; but the Congress may, at any time, by law, make or alter such regulations, except as to the places of choosing Senators." This provision of the constitution imposes an obligation on the States of the Union to fix, by law, "the times, places, and manner of holding elections" for Representatives to the Congress of the United States; but in the abundant precaution of the framers of that instrument, in order to guard more effectually the right of suffrage to the people, should the legislative authorities of the respective States fail to discharge their duty, the latter part of the clause expressly reserves to Congress the power to regulate, make, or alter the legislation of the States, should it at any time be deemed necessary. It is worthy of remark, that the constitution of the United States, so far as can be gathered from the instrument itself, nowhere, but in the section under consideration, enjoins the performance of a specific duty on the State Legislatures, while, at the same time, it retains to Congress the power to do and undo at pleasure the very duty required of the respective States. The irresistible conclusion to be drawn from this fact is, that the framers of the constitution regarded, with intense interest, the necessity and propriety of organizing the legislative department of the Federal Government according to some uni-

form rule of law in each State. The legislative department of Government, so essential to the happiness of the people, so indispensable to regular government, we can well imagine, justly claimed from the great men who gave birth to our federal constitution, their most undivided and patient consideration. Upon the organization of the representative branch of Congress essentially depended the great experiment of free Government. However wise the balance of power, as respects the Judicial and Executive departments of the Government, however restricted and regulated by constitutional law, the framers of this instrument could but have foreseen the necessity of leaving nothing to chance as relates to the formation of the popular branch of Congress. In submitting these views, I claim no more for this section than was asked for by my friend from Virginia [Mr. PENNYBACKER] for the second section of the same article. If, then, sir, we go by the letter or the intention of the fourth section, it seems to me equally clear that, in that section, and the laws of the respective States passed in pursuance of the same, are we alone to find the true channel through which all members composing this House must enter. But, sir, it is not alone the mode by which members are to come here, that has been cautiously prescribed by the constitution; they must also have certain qualifications after getting here, without which, however regular their election, they cannot exercise the right of a representative on this floor. Sir, the constitution provides that "no person shall be a representative who shall not have attained to the age of twenty-five years, and been seven years a citizen of the United States, and who shall not, when elected, be an inhabitant of the State in which he shall be chosen." Will it be contended by any one that we can disregard either or all of the above qualifications? Could we, sir, say, by a decision of this House, that a member returned here not twenty-five years of age, should be recognised as a representative of any portion of the people? I apprehend not. If it, then, be true that we cannot discard the qualifications prescribed by the constitution, can we disregard the mode prescribed with equal certainty in the same instrument? If the qualification of age and citizenship be necessary on the one hand, on the other of how much more importance is it that the law prescribing "the times, places, and manner of holding the elections," should be complied with? If public policy and the good of the people required that their representatives in Congress should have attained the age of twenty-five years, it seems to me the same considerations would apply in enforcing the laws of the respective States. It should be remembered, sir, that the laws of the States regulating the times, places, and manner of holding elections, are made by the very people who are mostly interested in their execution; and if you do not permit the people to act under them in choosing their representatives, you, in effect, say they are not capable of judging of what suits themselves. But this is not all. What, sir, let me ask, gives official character to the members of this House? What is it that gives them the power of speaking in the name and in behalf of the people? Why can they speak authoritatively, and bind not only their constituents, but those who are to come after them? It is because we stand here under the qualifications prescribed in the constitution, selected, chosen, and sent here as directed by that instrument; and then it is that the official character attaches to the person of such member, and our acts are binding upon our constituents. If, sir, we come here without the requisite qualifications, or in a manner different from that prescribed by the constitution, and the laws of the States passed in pursuance thereof, we are not here as representatives of the people, but as private individuals, unauthorized to speak in their name. The acts we would do would be our own—not binding on us, much less upon the people. Sir, it would have been worse than folly to have thrown around the person of the representative the qualification of age and residence, in order to insure discretion and community of interest between the constituent body and the representative, unless you steadily adhere to that portion of the constitution which, according to the letter and spirit, intends to give notice to the voter of the time, manner, and place, he may exercise the right of suffrage.

Mr. Speaker, from what I have said, it seems to me I have established that the object of the fourth section of the first article of the constitution was the establishment by law in each State of a time certain, places public and notorious, and a mode steady and uniform, whereby the qualified voters of the most numerous branch of the State Legislature could exercise the right of voting for members of this body, as secured to them under the constitution.

This brings me now to the inquiry whether the legislative authority of Mississippi has enacted a law in conformity with that clause of the constitution establishing the times, places, and manner of holding elections for representatives to the Congress of the United States.

Yes, Mr. Speaker, the Legislature of Mississippi has passed a law literally complying with the constitution, fixing, as the time of holding elections for members of Congress, the first Monday and the day thereafter in November, 1823, and the same days every two years thereafter; under which law, the first Monday and day thereafter in November next is the only time known to the statute book of Mississippi for holding an election to this Congress. Under this statement of the case, two inquiries present themselves to the mind: first, has the law of Mississippi been complied with? secondly, if not, what is the reason? To the first inquiry, it is not pretended that the sitting members were chosen by virtue of an election held in pursuance of the law of Mississippi; but, on the contrary, in direct contravention of, or, at least, non-compliance with, that law. Well, sir, what is the excuse for this violation, or rather disregard, of the law of Mississippi? Why, sir, we are told that a vacancy had happened, and that my honorable friends are representatives on this floor, because they were elected to fill vacancies. This is the broad ground taken by a majority of the committee in their report, and to which I will now invite the attention of the House.

Mr. Speaker, it is due to candor to admit that if a vacancy, in the meaning of the constitution, had happened in the representation of the State of Mississippi at the time the Executive of that State issued his proclamation ordering an election on 1st July last, then, in my opinion, if the election was valid, the sitting members are clearly the representation from that State for the whole of the 25th Congress. The proclamation and writ of election of the Executive of Mississippi, it is true, restrict the term of service to 1st November next, the time by law of holding the regular election. But, sir, I am not aware of any power in the Governor of Mississippi, conferred by the constitution or laws of that State, authorizing him to change, in any respect, the tenure of office of a representative to Congress. Such assumption of power has never been attempted before, that I know of, by the Executive of any State, and I trust will never again be attempted. All the Governor of Mississippi could do, under the constitution, was to order an election to fill vacancies, and the unexpired term, of whatsoever duration, constituted the period of the official service of the incumbent thus to be elected. If, sir, the Governor of Mississippi could, by his gracious writ of election, divide the Congressional term of service into two distinct parts, from July last to 4th March, 1839, I do not see why, by the same rule, he could not favor us with at least one dozen different representatives before the close of the 25th Congress. I will not trouble the House but with one or two remarks more on this branch of the subject. Of the motives of the Ex-

ecutive of Mississippi I know nothing; but, sir, I must confess, no matter what the decision of this House may be, that I am at a loss to understand why he should have adopted the course he has thought proper to pursue, full of danger, as he must have foreseen, when he had at his command a remedy adequate to the emergency.

Mr. Speaker, I will return to the consideration of the latter part of the second section of the first article of the constitution, re ied on by the friends of the report. Let us examine this provision of the constitution. It reads as follows: "When vacancies happen in the representation from any State, the Executive authority thereof shall issue writs of election to fill such vancies." Sir, you have heard much said in debate as to the true signification of the word "happen." I will not pretend to take part in this contest. I will leave it for other gentlemen to consult the lexicographers of this or of another age, as to the true meaning of the word "happen." To my mind, sir, it is of no consequence whether the one or the other of the views of the gentleman from Virginia [Mr. Pennybacker] or the gentleman from Tennessee [Mr. Maury] be correct. I shall meet the question broadly, disclaiming any distinction between a vacancy that may happen, or one that exists. My remarks shall be directed to the inquiry whether, in point of legal fact, a vacancy existed at the time the election for members to the twenty-fifth Congress from the State of Mississippi took place. If, sir, it be true that a vacancy at that time existed—I mean a vacancy in the representation from Mississippi, under the constitution of the United States, and the laws of said State, passed in pursuance thereof—then the right of the honorable gentlemen (Messrs. Gholson and Claiborne) to a seat on this floor cannot be questioned. But, on the other hand, if no such vacancy existed, they have come to this hall not in pursuance of law, but against law. Let us, sir, look for a moment to the express language of the constitution, "when vacancies happen in the representation from any State." Can language be more explicit? Is there a man whose mind has not been crowded with too much learning, that can doubt as to the distinct idea intended to be conveyed by the framers of this instrument? Does it not mean precisely what the ordinary acceptation of the words convey to every intelligent mind?

Mr. Speaker, I may be too old fashioned in my notions on this subject. It may be that the language of the day when this instrument was framed, is not the same of the present day. It may be, sir, that when the framers of this instrument said one thing, they meant another; but for one I shall take what they did say, as the best evidence of what they meant. Then, sir, they have said, that when vacancies happen in the representation from a State, "the Executive authority thereof" shall perform a certain duty. What is understood by the term *representation from a State?* Does it mean the office of representative? Or does it mean the persons who may be chosen as representatives? Who, sir, constitute the representation from the State of Georgia in this House? Nine individuals, and these nine individuals compose the representation from the State of Georgia. How is it that those nine individuals compose the representation from Georgia? When, sir, they were duly elected members of the 25th Congress, under the law of Georgia fixing the times, places, and manner of holding elections for members of Congress, they assumed an official character, and then it was, and not until then, that they collectively constituted the representation from Georgia. Well, sir, having shown what is meant by this term "representation," as thus used in the constitution, it remains only to be shown what is meant by the word "vacancy" in the same clause. If, sir, I am correct in what I have said of the true meaning of the words "representation from a State," it will follow, as a necessary consequence, that the word "vacancy" has a direct reference to the representation thus regularly selected, and out of which, from some cause, either from death, resignation, or otherwise, the functionary ceases. Whenever, from any cause, a representation from a State, in a part or in the whole, shall cease to exist, it is then competent, but on no other contingency, for the Executive authority of a State to order an election to fill such vacancy, or vacancies, as the case may be. The very word "vacancy" presupposes an office once filled, but now vacant. But this is not all. The clause under consideration not only means that there must be a vacancy in the representation, but that it must "happen," thereby absolutely excluding the idea that the vacancy here alluded to was to be the result of the regular operation of law, but something unforeseen and unexpectedly happening, which, when occurring, should be provided for by the power vested in the Executive authority of the State. But, sir, if the words be not sufficient to give us the most unerring indication of the true meaning of the framers of the constitution, I ask gentlemen to consider the fourth and second sections of the first article of that instrument in connexion; and no one, it seems to me, can doubt but that the fourth section was intended to prescribe a rule by which alone the House of Representatives was to be elected, and that the second section was only intended to provide that, should a vacancy happen by the death, resignation, or expulsion of a member by the House, such vacancy could be filled by the Executive authority of the State. This construction, Mr. Speaker, gives full effect to every portion of the constitution, and, I may also add, gives harmony, beauty, and strength, to the whole plan of representation.

But, sir, if it be insisted that the case of these gentlemen, [Messrs. Claiborne and Gholson,] from the facts submitted, constitutes a vacancy, in the meaning of the constitution, you then, by such construction, put to rest forever the fourth section of the first article of the constitution, in order to sustain the second section of the same article. Sir, one of the best rules of construction for the liberty of the people that this instrument can receive, is that which will harmonize the whole with all the parts—sustaining all, giving effect to all, to the degree which the plain and ordinary acceptation of the words used would indicate. Do this, sir, now and hereafter, and the institutions of the country are destined to flourish, and become more solid from age.

Mr. Speaker, what are the arguments of gentlemen against the construction I contend for? The gentleman from New York [Mr. Bronson] insisted that there was a vacancy, in the meaning of the constitution, from the 4th of March last up to the 1st of July, the time of the election of the sitting members. He contended, and properly, too, that the time of service for the members of the twenty-fourth Congress expired on the 3d of March last. Thus far he was right; but his conclusion from these facts, that there was a vacancy, is not authorized.

Sir, even if it was true, it would not help the gentleman, unless he intends to prostrate, at one blow, the portion of the constitution which requires the State Legislatures to fix the times, places, and manner of holding elections. Whatever is certain, uniform, and regular, cannot be said to be accidental, casual, or to "happen." But, sir, the law of Mississippi absolutely prescribes the first Monday in November, biennially, as the time of holding the election for representatives from that State; and yet, when that law was passed in Mississippi, it was as well known then as now that the term of service of members expired on the 3d of March anterior to 1st November, and that the State from that time would have no representation in the House; and yet, sir, Mississippi had nothing to fear, under ordinary circumstances; for the time of the regular meeting of Congress was fixed to the first Monday in December every year, until otherwise changed by law, which has not been done. To this I may also add, that the power of the President to convoke Congress on extraordinary occasions was doubtless

known to that Legislature of Mississippi which fixed on the first Monday in November, biennially, for holding elections for members of Congress. Yet, Mr. Speaker, with all these facts before us, with a full view of the power of the President under the constitution, the Legislature of Mississippi, to whose control alone, under the federal constitution, was properly entrusted this subject, has thought proper to select, as the time of holding elections for representatives to Congress, the first Monday in November. And now, this House is called upon to sustain the right of the sitting members to their seats on this floor, on the ground that a vacancy had happened in the representation from that State. If, sir, the seats of the honorable gentlemen from Mississippi are to be sustained, on the ground that a vacancy has happened, I do not hesitate in saying, as the result of a deliberate conviction, that such a decision will annul the 4th section of the 1st article of the constitution, and, perhaps, what is not of less consequence to the people of Mississippi, their own State laws, securing to them the free exercise of a right dearer to freemen than all others—the right of suffrage. What, Mr. Speaker, is the apology for this ruthless assault upon the constitution and laws of Mississippi? Why, sir, we are told that each State shall be represented, and that the qualified voters of Mississippi have enjoyed this privilege in the selection of the sitting members. This is true; and, so far as the people are concerned, what they have done is most creditable to them.

But, sir, that is no argument for this House. Our duty is to inquire whether the sitting members come here according to the form and ceremony of law; for if they appear on this floor otherwise than by the ceremony of law, they have no official character. And if we are true to the interest of the people of Mississippi, or any other State, no gentleman should be permitted to speak in their name, who was not returned here in pursuance of their own State regulations. For although a temporary inconvenience may result to them in the present instance, yet the evil, if the principle be once established, may subject them to bitter disappointment hereafter.

Let us look a little more closely to this subject. Gentlemen, in support of their views of the majority, admit that, but for the extra session of Congress, no vacancy, under the constitution would have "happened." Look, sir, at the magnitude of this proposition. Is it possible that the mere act of the President can unsettle the law of all the States regulating the elections? Not only unsettle the law of the States, but absolutely change the constitution of the United States, under which the laws of the respective States are authorized, and which enactments of the respective States are the law of this House in settling such questions? Sir, the proposition is monstrous. Give this power to the President, and, I ask, of what materials might not this House be composed? Let it be once admitted that the mere will of the President, in convoking Congress, constitutes a vacancy in the States that may not have elected their representation, and who will pretend to foretell the disasters that will befall this country? No, sir; the President has no power to vary or change any provision of the constitution, or any law of a State passed in pursuance of that instrument, and the laws of the United States. His duty is to enforce the law, to see it faithfully executed, not to annul or suspend it. Nor can the Executive of any State, of his own good will and pleasure, defeat the regular operation of election laws passed in pursuance of the federal constitution, though his only motive may be no other than to secure to the qualified voters of his State a free and full opportunity of selecting their representation in this branch of Congress.

Mr. Speaker, having shown that there is no power either in the President, or in the Executive of Mississippi, to suspend or alter, to enlarge or contract, either the constitution of the United States or the laws passed in persuance thereof, I will now give an example which it seems to me cannot fail in putting this question to rest. Suppose, sir, that there had been no call of Congress by the President, that the members present had been elected by virtue of a proclamation of the Governor of Mississippi, ordering the election to take place on the 1st Monday in July last, and that on the 1st Monday in November next, in conformity with the laws of Mississippi, an election is held for members to represent that State in strict compliance with the laws of Mississippi, and at that election different individuals should be returned as having received a majority of the qualified votes of the State: I ask, sir, what would be the decision of the House in that case? Is there an honorable member in this hall who could doubt as to which representation would be entitled to their seats on this floor? It seems to me that but one opinion can be entertained; and if the representation chosen 1st November next, would be entitled to their seats, as against the rights of those chosen on the first of July, under the authority of the Governor's proclamation, I ask gentlemen to point out the difference between the case supposed and the present. Sir, the principle would be the same, unless there be a magic power in the proclamation of the President, when he convokes an extra session of Congress, whereby he can cause the law and constitution to sleep, until the Executive of Mississippi can order and hold elections to fill vacancies where vacancies did not exist. The President and the Governor of Mississippi, by their joint action, would have the power, under this view of the subject, to set aside the law of elections of the State of Mississippi, provided the principle contended for by the report of the committee be correct.

Mr. Speaker, my honorable friend from Virginia, [Mr. PENNYBACKER,] in his very able speech on this question, objected to a literal construction of that part of the constitution which says: "when vacancies happen in the representation from any State, the Executive authority thereof shall issue writs of election to fill such vacancies," on the ground that if we adhere to the letter, should a vacancy happen, there is no power in the Executive to fill such vacancy. I believe, sir, that there are cases in the books where their construction of penal laws, involving the life and liberty of the accused, would sustain the principle insisted on by the gentleman. But before the gentleman can make good his position, he should at least show that this clause of the constitution falls within the reason of the decisions upon penal laws; a task I apprehend my honorable friend will not attempt before this House. But, says the honorable gentleman, in settling upon the rights of the members to their seats here, we should take an enlarged and comprehensive view of the whole ground, having constantly in mind that the boasted right of freemen is a representation of their own choice. And, sir, the honorable gentleman from New York, [Mr. BRONSON,] with like feelings with the gentleman from Virginia, asserted "that the interest of Mississippi was to be sacrificed upon the mere play of words." I hope that I should be among the last, now or at any other time, to sacrifice the interest of any portion of the people of this Union upon technicalities, much less the high-minded and patriotic citizens of Mississippi. But so long as I advocate the supremacy of the law, whatever inconvenience to the people of Mississippi, or their most deserving talented representatives on this floor, may be the consequence, I shall feel that I deserve from their hands the respect due to all whose acts are alone prompted by honesty of purpose. Sir, the construction for which I contend will never mislead or deceive the people, but will at all times enable them to know the "times, places, and manner" of choosing their representatives to Congress. Whatever inconvenience may attend the people of Mississippi, or the honorable members now here, is the fault alone of the Governor of that State; who, in my opinion, has utterly mistaken his duty to the people

of his State, by ordering an election, instead of calling the Legislature together, to alter the time of holding that election.

Sir, to show that I am not mistaken in the views I have presented, I think I may safely affirm, that in all the reported cases of contested elections that have fallen under my notice, in none of them do I find a single decision contravening the election laws of the States prescribing "the times, places, and manner of holding elections;" but, on the contrary, whenever the question has been whether the election law of the State has been complied with or not, in every instance, so far as I have examined, it has been considered necessary.

Now, sir, in answer to so much of the argument of gentlemen who have advocated the right of the sitting members on the ground that the true intention of the constitution is that each State should be represented, and that a decision against their right would be productive of great inconvenience and hardship to the people of Mississippi, I beg leave to give one or two rules of construction laid down by Mr. Livingston in his able speech on the subject of the Turkish mission. "I construe (said Mr. L.) it (meaning the constitution) as I would any other writen instrument, by its words when they are explicit; when there is doubt, by the context; by the plain object of its framers, by a view of the evils it intended to remedy." Again: "I must not be understood as saying that an inconvenience attending any construction is sufficient to show it to be false, or that to be the true reading which avoids it. When the words are express, when the intention is evident, however inconvenient, they must be obeyed." Here, Mr. Speaker, with these rules to guide us, might I not rest the case?

Mr. ROBERTSON contended that the proclamation of the Governor was illegal, and consequently the election must be illegal; and argued, that if the Governor had the power to fill the vacancies by issuing his writs of election, the Legislature could not exercise the power.

Mr. CAMBRELENG then called for the orders of the day, but withdrew the call at the request of

Mr. GHOLSON, who moved that the report of the Committee of Elections be postponed to Monday next, and be made the special order for that day after 12 o'clock. He made this motion with the hope that by that day every gentleman would have his mind made up one way or the other, and that the question might then be decided.

Mr. CLAIBORNE said it was desired by himself and colleague to have an early decision of this question. He did not merely ask it for themselves, but they considered it as due to the people of Mississippi that this question should be acted upon. He hoped, inasmuch as this was not an ordinary contested election, but depended entirely upon a question of constitutional law, that all parties in the House would consent to have the subject made the special order of the day for Monday, and then decide upon it finally.

The motion to postpone to Monday, and make the report the special order for that day, was agreed to.

FOURTH INSTALMENT BILL.

The House took up the "bill to postpone the fourth instalment of deposite with the States." The question pending was the motion of Mr. PICKENS to reconsider the vote by which it had been ordered to a third reading last night.

Mr. PICKENS said it was not his desire to occupy the attention of the House for any length of time, for he was perfectly certain that its patience must be exhausted by the discussion that had already taken place. He wished first to inquire of the Chair whether he was authorized to discuss the merits of his amendment and the bill?

The SPEAKER replied that, upon a motion to reconsider, the whole merits of the subject were open. No amendment being pending, of course its discussion would not be strictly within the rules, but the whole merits of the bill were open.

Mr. HOWARD inquired whether, on a motion to reconsider a bill ordered to a third reading, under the operation of the previous question, the bill was not still under that operation.

The SPEAKER. Certainly not. The previous question has expended itself by the vote of the House under it, and the bill is placed precisely in the situation it was in before the previous question was moved.

Mr. PICKENS resumed. He repeated that he did not desire to occupy the attention of the House, except to present, in a brief manner, the main points that had presented themselves to his mind for consideration. I desire (said he) to reconsider the vote, because every gentleman must be aware that, under the peculiar and technical operations of the previous question, a majority of this House had not been brought to vote upon the amendment proposed. Sir, I consider the amendment which I had the honor to propose as important, both in principle and in policy. I desire the House to be brought to a distinct vote upon that amendment, and it is with that view I moved to reconsider the vote ordering this bill to a third reading; and, in presenting that, I beg gentlemen to reflect upon the course which they are disposed to pursue.

Mr. Speaker, suppose you reject this bill, what will be the effect? You leave the deposite act of 1836 in full operation. You make it imperative upon the Secretary of the Treasury to distribute the fourth instalment under the terms of that act. There is no discretion left to your Secretary. Now, gentlemen have assumed the position, I believe with considerable truth, that the present administration, and particularly the Secretary of the Treasury, were at first opposed, in principle, to this deposite act. And they also assume, and I believe with much truth, that, in the execution of that act, so far as the payment of the three instalments had been made, they have executed it so as to produce embarrassment.

Sir, either from ignorance or intention, I will not now attempt to explain, but in the execution of the payment of those three instalments, which would have been, if executed upon proper commercial principles, a relief to the commercial community, we all know that, instead of producing relief, it has produced, to a certain extent, very great embarrassment. Now, sir, I put it to gentlemen whether they are disposed to leave the fourth instalment in the hands of the Secretary of the Treasury for execution, without discretion, and without limitation? These being his feelings, these his sentiments, how will he execute the payment of that fourth instalment? Sir, I have not seen his plan; I have not discussed this matter with a single officer of the Government, nor any friend of the administration. I have had no consultation with, nor have I ever seen on the subject, a single officer of the Government, nor have I ever lauded one, from the President down; but I venture to predict that if the fourth instalment be left to the execution of this officer—I say I venture to predict that its execution will produce far more embarrassment than its suspension can.

Mr. Speaker, the provisions of that act—the deposite act of 1836, I mean, are peculiar. They give, in certain contingencies, power to the Secretary of the Treasury to call back the three instalments already distributed, under certain limitations. Sir, it is a power which you yourself, by the very act which you desire to enforce, by refusing to pass this bill, place in the hands of the Secretary of the Treasury. What will be the result, then, of defeating this bill? Why, that you leave it a claim upon the Treasury, and that, by solemn discussion and solemn vote rejecting this bill, you make it the imperative duty of the Secretary to execute the deposite act to its very letter.

Now, sir, look at the proposition. They say the Treasury is embarrassed; that it is reduced, and that it will want funds: then how will the deposite act be executed? Why, the Secretary must, of necessity, call upon the States for the three instalments already made. But suppose, as gentlemen say, that the Treasury is full, and that there are ample funds in its hands. If this be true, what a spectacle will be presented to the American people! That your Secretary of the Treasury, your authorized officer has presented a set of statements to this House and to the country which are utterly false! Can any administration stand under the scorn and indignation this would produce amongst an outraged people, when Congress meets in December, and finds his statements a thorough delusion! But I doubt it, sir. It is my sincere impression that the Treasury is embarrassed, and that if you reject the bill on your table, you place not only the States and the Treasuries of the States, but the State banks also, which gentlemen wish to protect, at the mercy and under the control of the Secretary. Now, sir, I put this to gentlemen: are they prepared to see this deposite act executed to its letter, and especially under the existing pressure? Are they prepared to pay back the three instalments? Under this specific provision of that act, I know the course the Treasury will pursue—or, at least, what I believe it will pursue. It is this: That it will, if the fourth instalment be paid over at all, throw the expenses of this Government upon the States, by drawing upon them for the three other instalments; and the inevitable result will be, that you compel the Treasury to rely upon the States to support and sustain the General Government. This will produce more pressure than will be produced by the suspension of the act of 1836, or than could possibly be by withholding the fourth instalment. Let gentlemen from the West look at this. The deposite banks of Alabama, Mississippi, Louisiana, Kentucky, Indiana, and Ohio have, at this time, nearly seven millions of dollars on deposite out of the nine and a half required to pay the fourth instalment. What will be the result? You will compel the Secretary of the Treasury to call upon those banks to pay up, so as to enable him to execute that payment. Look at Ohio, having more now than she is entitled to under the fourth payment. Do you suppose the paper of the Ohio banks, though perfectly good and current in that State between man and man, will be received at par in Pennsylvania, which is to draw a million? Or do you suppose the funds of Alabama banks will be taken by Georgia for her instalment, when perhaps they are from ten to fifteen per cent. below par there, and then pledge its faith to refund—in what? in specie, or in available funds equivalent to specie, to this Government? Would this be a sound financial operation on the part Georgia, or would her Government assent to it?

Again, sir, suppose this bill be not passed, what will be another result? That you call upon the Secretary of the Treasury to enforce the law, or distribute the fourth instalment, and where are the means you put in his control? Do you not see that, under such an operation, you inevitably compel him to execute the law to the letter, and that, to do so, he must draw contributions from the States to distribute back to them? Is this sound policy?

Now, sir, look at the Treasury note bill. Will it relieve the Treasury from embarrassments? If that bill should pass the House in its present form, as passed by the Senate, paying interest on its notes, what will be the result? Why, the moment you throw them out, they will be taken up by capitalists, as the very best investment, as stock, under existing circumstances. There are at this time, millions of capital lying idle in the vaults of banks, watching the operations of this Government, and ready to take stock in a bank of the United States, if such an institution should be created. Yes, sir; these very capitalists, the moment you throw out your ten millions of Treasury notes bearing interest, will seize upon them, and, instead of serving for a circulation, they will be invested as stock. It will only then afford temporary relief, and the final effect will be, to all intents and purposes, to create a debt. How are the notes, with interest, to be redeemed? By taxation, sir. And are we prepared to incur that debt? Now, if you throw into circulatian ten millions of certificates, receivable only for public dues not bearing interest—(but I much question whether you will ever get a majority in this House to pass such a bill as that, for the simple fact that, the moment the Government throws into circulation such bills as that, the notes of the Bank of the United States of Pennsylvania will be excluded to that extent from circulation in the Southwest, where they have been at five and ten per cent.)—I say, if you throw into circulation such certificates, their circulation would spread through the country, and might relieve the present embarrassment, and could be redeemed in future dues. But there is an interest struggling against this—the banking interest of the country.

Now, sir, some gentlemen suppose the notes I have referred to will fall below par. How can that be? If they be receivable for the revenues of the Government, and no more be issued than enough to pay those revenues, they will be above par, or, at least, equal to gold and silver. Nothing can depreciate them but an issue beyond the amount of the revenue of the country, and it is even questionable if that would. But, sir, can we pass such a bill as that, viz: without interest, and throw no more into circulation than the amount necessary for the public dues? It is very doubtful whether this House would.

But throw out $10,000,000 of notes, bearing interest, and at the end of the year the Government will be called on to redeem them, or they will run on at interest, thus creating a debt in its most odious and objectionable form. Capitalists in stocks are deeply interested in such an issue. Whatever this Government makes receivable in dues, is, to all intents and purposes, money, and such a circulation, limited to the amount of expenditures, would be equivalent to gold and silver, and relieve the commercial community in collections of customs. It would, in fact, be a currency resting upon the credit of Government. And this is all the Government could do, even though a bank endorse the notes or loan its credit.

Now, sir, I repeat, we are not prepared for the state of things that will ensue upon the rejection of this bill. You will press upon the Secretary of the Treasury and compel him to execute that fourth instalment, and the result will inevitably be that you compel this Government to create a debt, which debt you are bound to pay in the revenues of the country, and how these revenues are collected we all too well know.

Who receives the distribution? Do you distribute it according to the payment of taxes? Many suppose that we consume according to population, and pay taxes according to consumption. If this be true, we do not receive our proper distribution, for two-fifths of a certain class of our population, under our representation, will be excluded. Are gentlemen prepared to carry out this system permanently, or create a debt by distributing this instalment?

Take another proposition, not far from the truth, that consumption is in proportion to capacity to consume, and what will that proposition lead to? Why, that the exports of the country purchase its imports, and, directly or indirectly, those who produce exports consume imports. For the imports through New York, if even consumed in non-exporting sections, they are enabled to do so from their internal trade with the exporting region. Under this system you indirectly collect two-thirds of your import duties from the exporting interest of this confederacy. And if you distribute, you distribute to those who raise one-fourth of the exportations two-thirds of the funds.

Yet, sir, this is the inevitable result, if gentlemen should reject this bill, and compel the Secretary of the Treasury to execute the fourth instalment. It is under this apprehension that I have made the motion to reconsider this bill, and I can assure gentlemen that it was from no hasty or excited feeling of the moment. I voted, to be sure, with those I have been unaccustomed to vote with on this floor; and I here take occasion to say that I voted from mature deliberation, and with reference, also, to the peculiar interests I in part represent. Sir, let it not be supposed that, from any party tie or from any party feelings, I am disposed to sustain the bill on your table. No, sir. When gentlemen ask me in relation to my present position, I can only say to them that I am precisely where I have been educated to be, upon those great principles which I deem to be identified with the constitution and liberties of my country. There is a conflict of interests upon this floor. There is a conflict of interests in all communities; and when gentlemen talk about this class depending upon another class, and all being beautifully blended in one whole, I can admire the theory. It appears interesting on paper. It is interesting to contemplate the parts of a great empire—all depending upon one great combination of the whole. I can understand it, sir, but I know there is a conflict of interests in all societies. Why is it that we see the world deluged with blood? Is it not from a supposed division of interests in society? Why is it that revolution after revolution has swept over the fairest portion of this habitable globe? Is it not because one class or one interest in society are found struggling with or endeavoring to trample down another class of interest? This is nature—this is man, as found organized in all socity.

Sir, let not gentlemen suppose I am actuated by party ties or party feelings. No. I ask no favors, and I scorn and defy power, whether it come from the Executive, or from the banking interests of this country. Sir, I know the conflict that is about to arise on this floor. I see and hear the rushing of the elements, and I stand prepared to meet it in advance. I confess I am prepared to meet it, and let not gentlemen suppose they are to call up interests in this country powerful enough to dictate laws and Government to us. No, sir. If they do produce this conflict, I say I am prepared to meet it. It has been said that in meeting this contest we are prepared to break down the banking institutions of the States. Sir, I repel this insinuation with scorn and contempt, as a vile slander for party effect. I, sir, will sustain to the last the institutions of my own State, and the banking interests she has organized. But, sir, when I am called upon to identify them with this Federal Government, I will not do it. I will not bring them under its subjection, and place the credit and banking system again at the mercy of a lawless and despotic Government here to wield the destinies of this country. We have seen and felt too much of it. We have seen this union of the banks with Government for the last three or four years, producing the most disastrous effects upon the policy of the country. Sir, it was this very union that brought the present Executive into office. It was this union which has done more, in my opinion, than an thing else to break down the freedom of elections.

I stand where I did as to the manner of the election; I am actuated by no other desire but to promote equal liberty to all classes; and when men in power choose to assert right principles of liberty and of the constitution, by separating the banking institutions of the country from the Government of the country, I am prepared thus far to go with them. Sir, no issue shall ever separate me, in a conflict of this kind, from the great interest I have always supported. But I entreat gentlemen to pause in this mad career, because the conflict will be fatal even to the banking institutions of the States themselves if they urge it on. I desire they shall be sustained by the States upon bona fide capital—sustained free from the influence of this Government; and it is because I desire they should be sustained that I am in favor of their separation. Sir, in conclusion, permit me to say, that I stand where the republican party stood in 1798, in 1826, '27, and '28, and where the State Rights party stood in 1832 and '33; and upon those principles I am prepared to stand, and the power of a combined press, or the whole interest of banks, shall never drive me from it.

Mr. Speaker, the view I had in introducing the amendment was, that if there be any surplus remaining in 1839, then let it be deposited; and I thought at the time, and still think, it would meet the assent of a majority of the House. The tendency of this would be to produce economy in the appropriations for next year, under the hope of receiving the deposite then. Upon all the other questions presented by gentlemen in this debate, discursory as they were in their character, "*de omnibus rebus et quibusdam aliis*," I desire to reserve myself for the great bill—for I call that the great measure of the session—the divorce bill I mean. That bill I hold myself prepared to defend, and I fear no consequences.

Mr. ADAMS followed.

[The following speech of Mr. ADAMS, on the question of reconsideration (moved by Mr. PICKENS) of the vote, 119 to 117, for passing to the third reading the bill to postpone the payment of the fourth instalment of the deposite with the States, prescribed by the act of 23d June, 1836, is to be taken in connexion with his subsequent speech, on the 14th of October, on the bill to adjust the balances remaining due from the late deposite banks, already published in the National Intelligencer of the 6th and 7th of November. The postponement bill, as it had passed the Senate, postponed the payment of the fourth instalment "till further provision by law." Mr. PICKENS, in Committee of the Whole on the state of the Union, had moved to strike out the words "further provision by law," and insert "the first day of January, 1839;" to which Mr. ADAMS had moved, as a further amendment, to add the following: "And all balances of public moneys due from all the deposite banks are hereby appropriated to the said payment, and no part of them shall be applied to any other payment whatever; and if the portion of the said balances due by the said deposite banks cannot be received in time to pay the whole of the said deposite with the States, hereby made payable on the first of January, 1839, then the instalment of debt from the late Bank of the United States, for the stock in that institution held by the United States, payable in October, 1838, is hereby appropriated, to make up any insufficiency of the sums recovered from the deposite banks to complete the said payment of the fourth instalment of the deposite with the States."

Both these amendments had been, by small majorities, rejected in Committee of the Whole on the state of the Union, and the bill had been reported, without amendment, to the House, where they had been excluded from consideration by a successful call from Mr. CUSHMAN, of New Hampshire, for the previous question.

The bill having thus passed to the third reading by the vote of Mr. PICKENS, who immediately moved the reconsideration, and the next morning supported the motion by a speech, it was on this motion for reconsideration that the following remarks were addressed to the House:]

Mr. ADAMS expressed the hope that it was competent for him at that stage of the proceedings to debate the amendment he had introduced in Committee of the Whole, but which had been cut off by the previous question.

The SPEAKER remarked that there was no amendment now before the House, the motion of Mr. PICKENS to reconsider the vote ordering the bill to its third reading being now in order.

Mr. ADAMS begged to know if it were not competent for him to urge the merits of his amendment as a reason for voting for the reconsideration?

The SPEAKER answering in the affirmative,

Mr. ADAMS proceeded. He would be very brief in the remarks he should address to the House. He said he had come to his seat at this special session of Congress fully aware of the difficulties under which the Government was placed, and no less sensible of the embarrassments which afflicted the people of the country. He had felt inclined to go for the measure now before the House, as a means of relieving the administration from embarrassment, being willing to go for the relief of the Government, and thereby to relieve, indirectly, the people, whether the Government should propose any measure for the direct relief of the people or not. But, when he had come to consider the bill, as it came from the Senate, he had been forced to the conviction that whatever relief it would afford the Government would be obtained at the expense of the people, it being, in substance, a bill to raise revenue. And what was the effect of the bill? A bill, bearing on its face one thing, and doing another! Purporting to postpone the operation of an act of Congress restoring to the people a portion of their own money, and, in reality, going to repeal that act! As the bill had passed the Senate, there was no further payment or deposite to be made of the proportion of the surplus revenue now due to the States without further legislation. It was, to all intents and purposes, a proposal to repeal the act of June, 1836. This was its great object. If its intention was not expressed, and apparent upon its face, the effect of it would be a deception upon the people. His constituents (Mr. A. believed) might think the postponement of its operation reasonable, were the time to which it was postponed fixed and certain. But there is now no such certainty upon the face of the bill; its operation is to be put off to a date as far distant as what the old Romans called the *Calendas Græcas*, or, as the French proverb terms it, "the week of the three Thursdays!" Now, the amendment of the gentleman from South Carolina [Mr. PICKENS] proposes to postpone the operation of the act until the 1st of January, 1839, instead of until the further action of Congress. He, for one, was willing to take the bill with such an amendment; but there must be one other provision—an assurance that there shall be no more postponement, and that the sum thus appropriated be applied to that purpose, and to no other.

Mr. A. had called this a bill to raise revenue; and so it was. It would place in the hands of the Government nine or ten millions of dollars, to be appropriated to any other purpose. It would raise money for the people, for the payment of the public debts. And now where does this money-bill come from? And, in asking this question, Mr. A. said he desired to ask that the bill should be viewed as a part of the whole system now projected for the raising of a revenue. The bill comes, first, from the Senate. And is that the branch of the National Legislature in which the constitution requires that all such bills shall originate? Now, all, not only this, but all the bills, which form a part of the system alluded to, have originated in the other branch of Congress. Mr. A. would put these facts to the House, as a man specially entrusted with the guardianship of the public purse, and with the hope that such an appeal may produce its effect upon the action of the House on this bill, and in putting members more on their guard hereafter as to the source whence bills of this character emanate.

Mr ADAMS said he had heard a good deal, at one time and another, said about the great and growing extent of Executive patronage, and influence, and power. To most of such rumors and expressions of opinions he had given but slight credence, and as little of assent; but he could not avoid warning the House that, if the pockets of the people, their constituents, were to be ransacked for money, it behooved them to see that such measures originated with the representatives of the people. But, perhaps, suggested Mr. A., he had not been quite correct in saying that the bill in question had had its origin in the Senate. It would, doubtless, have been nearer the truth to have said that it, with its companions of the same general system, had originated at the Treasury. Every one of these bills had every mark and feature of such an origin; they were all, beyond question, drawn up and prepared at the Treasury Department! The chairman of the Committee of Ways and Means [Mr. CAMBRELENG] has told the House that the Senate and House bills, on the same subjects, were not identical in all respects. And what was the difference? Mr. ADAMS believed that the House bill proposed the issue of Treasury notes to the amount of $12,000,000, while the Senate bill proposed only $10,000,000. He would confess that he had much rather see the difference on the other side. He would rather find the House disposed to give less than more. The whole thing, as managed thus far, looked like a little "experiment." The House were to be asked by the Treasury, through the Senate, for $10,000,000, with the expectation that the House, becoming familiarized to the idea of so large an issue, would consent to throw in the additional two millions as a mere trifle of more or less.

Mr. CAMBRELENG rose to explain. When the bill was reported in the Senate, it was reported in blank. In the House bill there was an additional appropriation, for the Florida war, which was not included in that of the Senate, of course; and there were other differences between the two bills.

Mr. ADAMS said he thought he had seen another bill separate from this bill of twelve millions, and asking sixteen hundred thousand dollars more. He did not understand—

Mr. CAMBRELENG. Don't you understand, sir? The other is the bill appropriating the money proposed to be raised by this.

Mr. ADAMS said he was happy to receive this explanation from the chairman of the Committee of Ways and Means, and he would be glad to hear further from him, why, after the enormous appropriations made last spring for this very object, it had become already necessary to appropriate for the service of this same year nearly two millions more. He expressed the hope that Mr. PICKENS would accept his amendment as a modification of his own.

Mr. PICKENS said he would willingly do so, but for the latter clause, pledging the faith of the United States that the Congress will provide for the payment of the money in January, 1839.

Mr. ADAMS observed that the proposition was divisible; and that, if, after the House had made the appropriation, they think it best not to pledge the faith of the Government to carry it into effect, they could easily reject the latter part of the proposition. All he desired was to say to the people "we have promised to pay over to you this sum; we cannot do it now for want of that sum to pay over; but we pledge you our faith that we will do so;" and certainly fifteen months will be found abundantly sufficient for the performance of such a pledge. Yet, if there was all this reluctance to the adoption of this part of the proposition, Mr. A. said he was willing to take the amendment of the gentleman from South Carolina, modified by the adoption of his own, (Mr. ADAMS'S,) without the latter clause. All he professed to want was an assurance that the people shall not be paltered with any longer with delusive promises never to be performed.

The gentleman from Georgia [Mr. TOWNS] had said (continued Mr. A.) that the people of that State, when contending for principles, cared nothing for dollars and cents. Well, (said Mr. A.,) that was a good sign. He liked that. It was the sentiment of a high, lofty, and admirable spirit; but it so happened that, in the case under consideration, the dollars and cents were the very principle itself!

And if the people of Georgia cared nothing for those articles, indeed, they would find many of their neighbors not one-half so disinterested, to whom they might easily make it over, and who would very cheerfully accept it at their hands. Or, the people of that high-spirited State might make it over, a munificent donation to the Treasury of the United States, and relieve themselves from all annoyance of "dollars and cents."

Mr. Adams then argued briefly that, with the amendments proposed, this bill ceased to wear the aspect of a bill to raise revenue.

Mr. A. alluded to the alleged differences of opinion existing in the House at the time of passing the act of 1836, as to the true nature of the measure, and whether it were a mere deposite bill, or a distribution bill. There certainly were, and now are, a great variety of arguments used on both sides of this question: but he had heard nobody on that floor arguing in favor of a recall, an actual recall, of the money already paid over to the States. No vote could be gotten in that body for a recall. That would be going back to the principles of the old Confederation. Under that system, the Congress of the United States had no power to raise money by their own authority. To defray the expenses of the Confederacy, whether of peace or war, Congress could only settle the proportions of the sums required for the public service, and issue to each State a requisition for its own quota. This is precisely what would now be the form of recalling any portion of those moneys once deposited in the Treasuries of the States; and if any gentleman wished to see the practical working of that system, let him go back to the records of the time, and see the answers that were made by the States to the requisitions of the old Congress. What were the answers?—not in a time of peace—and of plenty—and of prosperity—like that in which the nation has now been seized with this convulsion fit; but at a time when the very existence of the nation was at stake; in the midst of that glorious but soul-trying war of independence, for the very support of which all the expenditures to be provided for were indispensable—what were the answers? Some never answered at all,—some replied that it did not suit their convenience,—some flatly refused,—and others responded very like some of the deposite banks, which, being lately asked by the Secretary of the Treasury when they intended to resume specie payments, replied, "when the others do!" They were "calling spirits from the vasty deep,"—every body knowing, all the time, that the spirits would not come! [Continued laughter from all parts of the House.]

After alleging that one of the reasons adduced in opposition to the distribution principle in certain quarters, (namely, that it viewed the surplus funds as actually divided among the States,) was a strong argument in his mind, as a guardian of the people's interests, in its favor, Mr. Adams came to the consideration of yet another reason, which made him desire the proposed amendment; and which, indeed, rendered it impossible for him to go for the bill without it.

He said that a gentleman from Georgia, [Mr. Dawson,] in an exceedingly forcible speech, had pointed out the monstrous inequality with which this sum of $10,000,000, due to the States under the deposite act, had been deposited by the Secretary of the Treasury. Mr. A. said he could account only for this most extraordinary state of things by ascribing this inequality to the operation of the far-famed "specie circular." In the Bank of Alabama, at Mobile, it appears by the report of the Secretary of the Treasury, that $1,000,000 and upwards, were left deposited when the banks suspended specie payments. Two hundred thousand of this is put down under the title, "warrants heretofore drawn, but not yet paid, though payable." This was one of those favorite, but puzzling unintelligibilities which several gentlemen upon this floor have complained of, in the report of the Secretary of the Treasury; and he (Mr. A.) had been much perplexed to obtain a glimpse of its meaning. What, then, was the meaning of this circumlocution about "warrants, to the amout of two hundred thousand dollars, heretofore drawn, but not yet paid, though payable?" Why, Mr. Speaker, all that simply means, that those warrants or drafts of the Secretary of the Treasury were protested! That's all! [Laugh.] The drafts were for specie,—"hard currency,"—"mint drops,"—and they were drawn on those hoards of specie accumulated by the "specie circular." But the specie had gone when the drafts arrived; and so the drafts were "not yet paid, though payable!" [Laugh.]

Sir, (said Mr. A.) give me leave to say a word or two on the alleged unintelligibility of the Secretary of the Treasury. I certainly cannot but feel a great degree of compassion for him, considering the necessity he was under of making a report to Congress, at any rate. There are a great many things which sound much better in circumlocution than when plainly expressed. The Secretary of the Treasury I know to be well versed in English composition: but there are subjects which the sublimest writers are obliged to cover with a veil, and I "guess," or I "reckon," that there were a good many of these troubling the brain of the Secretary at the time he drew up this much-discussed report.

Mr. A. said he had attentively read the report, and must acknowledge that he had occasionally found in it a redundancy of words to disclose ideas, which might have been expressed with more precision. There were obscurities, like that of which he had given an example in the heading of the column of what he supposed to be protested drafts. But the general purport of the whole document was plain and clear enough—much more plain and clear indeed than it was pleasing to contemplate. He had listened a day or two before to some very ingenious remarks of the eloquent and able gentleman from Ohio, [Mr. Hamer,] who, while discussing this subject, had instituted a dialogue between the General Government and the States; and he represented the General Government as saying, (in a very marked and emphatic manner,) "Do *you* want this money? So do *we!*" [A general laugh.] Sir, (said Mr. A.) the whole substance of the report of the Secretary of the Treasury may be summed up in those few words.

Mr. A. said he had another observation to make. A gentleman from South Carolina [Mr. Thompson] had observed that it was a sort of uniform operation of this confederate Government, that all the money of this nation "flowed to the North!" [Mr. Thompson here said "I did say so."] There is (said Mr. A.) an English poet, who has said,

"Ask where's the North?—at York, 'tis on the Tweed."

Now, sir, suppose yourself at Charleston, South Carolina, you ask, "where's the North?" With this maxim of the gentleman from South Carolina, and his system of geography, and the answer you would receive must be—at Charleston, South Carolina, the North . . . . is Mobile, Alabama; the North . . . . is Natchez, Mississippi; the North—is New Orleans, Louisiana. For these are "North" at Charleston,—if you assume that the money of the country is flowing to the North. I have named a single instance—the Bank of Alabama, at Mobile—where there is a deposite of public money to the amount of more than a million of dollars. It flowed thither, I suppose, by the aid of "the far-famed specie circular," in "mint drops" and "hard currency." Now, what is that million worth? The amendment of the gentleman from South Carolina, and my own added to it, will secure to that bank the use of that money for fifteen months,—that is, until January, 1839; and what would it be worth to that institution, and to the interests affected by the well-being of that institu-

tion? In ordinary banking, six per centum. But when it is in the bank, while issuing notes without paying specie when called for, it is worth twenty per centum, at least. That million of dollars is equivalent to a gratuitous donation to the Bank of Mobile, and thereby to the State of Alabama of two hundred thousand dollars a year.

Pursuing the idea suggested by Mr. DAWSON, of Georgia, in regard to the palpable and monstrous inequality with which the money, appropriated to the liquidation of the instalment yet due, had been deposited among the States, Mr. ADAMS demanded what proportion was on deposite with Massachusetts? Unless he was mistaken greatly, the whole sum in all the banks employed as the depositories of the public money in that State was $81,278 40, or about two-fifths the sum which falls to the Bank of Alabama alone, as the value of the use of the fund on deposite there. What is the benefit to Massachusetts, he would ask, of that deposite, as it now stands? At six per cent. it is worth about $4,000, and that is the deposite of public moneys which Massachusetts offsets against the $1,000,000 in Alabama.

Mr. ADAMS said he had an inquiry to make of the chairman of the Committee of Ways and Means, [Mr. CAMBRELENG,] with regard to one of the unintelligibilities of the Treasury report, which he was desirous of having explained. Until this was done, he could not gather from that document whether or not the $81,278 40, put down as deposited with Massachusetts, was all the public money for which that State was responsible to the Government. In reading over the report, he found a list of banks, beginning with the State of Maine, and proceeding southward, and the sums of public money on deposite in each. Under date of August 28, 1837, between the banks of Maine and those of Connecticut, he observed a sum total against the simple words, "Metropolis special." Now, as the State of Massachusetts lies between Maine and Connecticut, Mr. ADAMS would fain know if the word "metropolis" there may not mean Boston?

Mr. CAMBRELENG. The Bank of the Metropolis in this city (Washington) is probably referred to.

Mr. ADAMS. What is the nature of that deposite?

Mr. CAMBRELENG explained that that special deposite in the Bank of the Metropolis was to meet some of the current expenses of the Government, incurred in that part of the country.

Mr. ADAMS. Oh! a "special" deposite for the use of some of the pets, some of the favorites, the preferred public creditors, (of which class I suppose I must consider myself a member, since the Secretary's offer to pay us our per diem in specie.)

Mr. CAMBRELENG would remind the gentleman that there were other pets, and other favorites, besides those around us. There was the navy yard on the Potomac, and—

Mr. ADAMS. But that navy yard is not "between Maine and Connecticut," Mr. Speaker. [Laugh.] And I am still in the dark as to the meaning of that line in the report of the Secretary, which seems to make Massachusetts responsible for a yet larger share of the public treasure than, in her own proper place in the report, she is set down as holding in deposite. And this is the more remarkable, because in this same statement appended to the Secretary's report, the Bank of the Metropolis in this city has its proper place afterwards between the banks of the State of Maryland and those of the State of Virginia, and therefore cannot naturally be supposed to be the same "Metropolis special," thus thrust up in a corner between the States of Maine and of Connecticut. It all goes to corroborate the idea that this same report of the Secretary of the Treasury is far from being so explicit and intelligible to all, as it is to those gentlemen whose sagacity finds it so easy to be understood.

Besides, sir, I find in this Treasurer's weekly statement of the amount to his credit, in the various banks of public deposite, the Bank of the Metropolis, District of Columbia, in its proper place, located between Maryland and Virginia, with a small balance of $2,162 83 due to the Treasurer, and that whole sum, except 9 dollars and 4 cents in the column of warrants heretofore drawn, but not yet paid, though payable. And in the statement marked K, this same Bank of the Metropolis is included in a list of deposite banks discontinued under the deposite act of June, 1836. And it is not included in the list of present deposite banks under the same act, marked L. In the circular letter of the Secretary to the delinquent banks, I find it written: "The imperative provisions of the act of June, 1836, make it the duty of this Department to discontinue ordering any further sums of public money to be placed with the deposite banks after suspending specie payments, and hence you are notified that no more can be thus deposited in your institution, provided such a failure to redeem your notes has actually occurred."

"No more can be thus deposited in your institution."

The Bank of the Metropolis, in the District of Columbia, is one of the deposite banks discontinued by the positive command of the law; but "Metropolis special," between Maine and Connecticut, has a deposite dated the 28th of August, of $140,541 62. By what authority was that deposite made? This is to me one of those unintelligible things in the report of the Secretary of the Treasury, which I should be glad to see explained. Is it a practical illustration of the divorce between bank and State? or of the locomotive power of the Secretary to transport the Metropolis from the District of Columbia to Massachusetts, to New Hampshire, to Rhode Island, to some undefined region between Maine and Connecticut, where he could make a special deposite of gold without infringing upon "the imperative provisions of the act of June, 1836?"

I should like to know why this item is thus thrust between Maine and Connecticut, as if it were intended to give Massachusetts the reputation of having $140,000 of the money which is used to pay members of Congress and the navy yard expenses at New York?

But I was observing upon the profound philosophical and geographical statement submitted to the House by the gentleman from South Carolina, [Mr. THOMPSON,] in which it was asserted that the money of the United States "always flows to the North." Now, I have given the House one example, in the case of Alabama. Let us look a little farther: here I find the Union Bank of Louisiana and the Bank of New Orleans have, together, an amount nearly equal to $1,500,000. Here is a million and a half flowing to that extremity of the North—New Orleans; and here is upwards of one million seven hundred thousand dollars flowing into the deposite banks of the State of Mississippi at Natchez. Now, with the utmost respect for the States of Louisiana and Mississippi, they are not so near to the north pole that they should have, between them, more than three millions of United States money, which the gentleman from South Carolina insists is always flowing to the North—money which is, in fact, a gift bestowed upon them without law, at least not by law, but by the operation of a specie circular, which required all payments to them to be made in gold and silver, and yet they have not a dollar forthcoming. I will put the interest on this specie at ten per cent.; six per cent is certainly too little. The use of these deposites would be worth six per cent., even if they might be called away at any moment. I will put the interest at ten per cent. Here, then, we have placed at the disposal of the banks of Louisiana $1,500,000, which I say is equivalent to a pure donation to that State of $150,000 a year, so long as the deposite shall continue. And how goes it with the State of Mississippi? I find here that the Planters' Bank and branches, Natchez, have

$895,000, and the Agricultural Bank and branches, Natchez, $849,000, making $1,744,000. Here is an actual boon to that State of $174,000 dollars. They have had this since July already, and they will continue to have it until it suits their convenience to pay it over, which I hope they will do before the 1st of January, 1839.

Well, I am, notwithstanding, willing to vote for this bill, leaving this matter as it is, provided the banks of Alabama and Louisiana and Mississippi will pay back this money on or before the 1st of January, 1839.

We come next to the State of Tennessee. Her share is but small, amounting to not over $500,000. If she was entitled to receive her share of the deposites on the 1st of October, she might set off that amount, and suffer no injury. She would then have the use of this money, and would still get her portion of the deposites like the other States. Then we come to Ohio; and, in respect to her, it seems to be admitted as a settled affair, that all her banks are good and sound, only their notes will not command the specie without a little premium of ten per cent. Ohio has got $900,000. She is a large State, and, in the critical condition of her politics, may have been thought a cheap purchase at this amount. It is not, at any rate, a very extravagant sum. Indiana has a large portion. But here there is another "northward flowing" of a different kind. Here we come to a State hardly a year old. It is hardly a year since we were discussing her admission into the Union; and if she was not satisfied with the conduct of the Government then, I think at least she must be now. Here is Michigan, with more than one million of dollars, which is equal to a clear donation of $100,000. Does the geography of the gentleman from South Carolina consider Michigan as a place to which the money of the United States flows northward? All this vast tide of specie, according to my geography, has flowed southward and westward. As to the North, the flowing in that direction has been in a precious small rill.

What is the conclusion from these facts? The gentleman from Georgia (Mr. Dawson) complained that Georgia had not had her portion, and he did but justice to his own State, if we consider what has been given to Alabama and Mississippi, Louisiana, and Michigan. But what is it if put in comparison with Massachusetts? What has she got in this distribution—the special Metropolitan deposite not being a part of it, as from this table one would suppose? Why, sir, she has got $81,271 84 cents—a sum which any one of her banks will pay in five minutes, if you will take off the interdict. Is there justice in this? Gentlemen complain of the mode and manner in which the deposite law operates, and about the standard of distribution on which it proceeds as being unjust and unequal; but, sir, what is that inequality, in comparison to this deposite made without law, to a rate of deposite which gives a million and a half to one State, a million seven hundred thousand to another, a million four hundred thousand to another, and to Massachusetts $81,271 84 cents, supposing its banks not to pay the $80,000, which is all they owe? I will ask how many good friends of the Administration have been made, or how many precious votes in this House secured, by this system of operations? When we came to make this deposite, I mean the deposite by law, I remember well the arguments of gentlemen who wanted a different standard of distribution adopted. They complained of a distribution according to the ratio of representation in both Houses of Congress, because it gave too much to Delaware, to Rhode Island, and other small States. Now, sir, it was not the Northern States, but the small and the Western States chiefly, which got this extra proportion. I was willing they should have it, because since the last census was taken, their population had increased much more than that of Massachusetts. I assented to this ratio because the new States, who were most in want of money, would be most benefited by it, and I voted for the bill. But the very interest which the members took on that occasion in this question, and the earnestness with which they argued the necessity of an equal principle, proved the earnestness with which every member of the House adhered to the proportional right of his own State.

But what was that ratio of distribution in comparison to this—when $1,500,000 is given to one State? Alabama had five members in the House and two in the Senate; Massachusetts had twelve in the House and two in the Senate. Their proportions were, therefore, as 7 to 14. To this I assented. But what is the proportion here? Alabama gets $1,500,000, and Massachusetts $80,000. I say nothing about Pennsylvania. She is one of the largest States in the Union, and she has 249,000 dollars in the Girard Bank, 5,500 dollars in the Moyamensing bank; but of this sum there has already been drawn, upon the Girard Bank, in warrants not yet paid, though payable, 160,000 dollars, leaving only about 95,000 dollars as the share of actual deposite held by Pennsylvania. But when we consider the population of Pennsylvania, what is the proportion of $250,000 given to Pennsylvania, and $1,700,000 to Mississippi?

I have intruded upon the patience of the House to a greater extent than I intended. Its patience has been my encouragement. If this bill passes, I wish it to pass with the amendment of the gentleman from South Carolina; but I consider the whole measure as a violation of the public faith, for which the last administration is responsible to this nation, to the creditors of this country abroad, and to posterity—especially responsible to the people of those States so grossly injured by the withholding from them of the fourth instalment of the sum promised them by the act of June, 1836, by the lavish donation of their money to the people of other States, which they now refuse to refund. That this crying injustice may not be repeated by a further postponement or repeal of the deposite act, I demand, with the amendment of the gentleman from South Carolina, fixing the term of payment to the 1st of January, 1839, a pledge that the money shall then be faithfully paid; and for this purpose that the balances actually due from the late deposite banks shall be appropriated to that payment. They are the identical moneys announced, on the 3d of January last, as being then in the Treasury, to be divided among the States under the act of June, 1836. They are more than sufficient to pay the whole of the fourth instalment. But if the whole sum cannot be recovered from the banks, where it has been deposited, before the 1st of January, 1839, I ask a further contingent appropriation of the money to be paid by the late Bank of the United States in October, 1838, to the same object. If a further indulgence of time beyond the first of January, 1839, should become necessary to complete the recovery of the balances due by the deposite banks, that indulgence should be granted by the whole nation, and not at the expense of the States entitled to the fourth instalment. In the amendment which I proposed in Committee of the Whole on the State of the Union, I added further, that if the recovered balances, and the instalment of October, 1838, from the late Bank of the United States, should still prove insufficient for the payment of the fourth instalment to the States, the faith of the United States should be pledged that further and effective provisions should be made by Congress therefor. Finding some of my friends here willing to vote for the rest of my amendment, but objecting to that, I shall withdraw that clause with the hope that no further pledge of faith will be necessary for the fulfilment of that which has been given.

Mr. A. having concluded—

Mr. W. THOMPSON spoke in explanation.

Mr. GRAY, of New York, then took the floor, and delivered a brief speech, in which he declared that he should

vote for the bill if the amendment should be attached to it, but must oppose it if unamended. He adverted to the length of the debate, and cast all blame, in reference to the calling of the previous question, on those who were opposed to the bill.

Mr. EVERETT, of Vermont, said he had attempted to obtain the floor when the bill was under discussion in committee, and also in the House. He had then intended to submit his views on the measures presented by the Committee of Ways and Means for the relief of the Government. At this late hour, he should confine himself to the bill before the House. He would submit to the House the effects its passage would produce on the business transactions of the State he in part represented. The Legislature of Vermont, on accepting the terms of the deposite act, made provisions for the immediate disposition of the instalments, as they should be received. They were to be paid to the several towns, in proportion to their population, to be by them loaned for the use of schools, under the direction of town committees. These committees were composed mostly of farmers, and the loans were made in limited sums, principally to farmers and mechanics. The time of payment and the amount of the instalment being certain and fixed, the business of the country was, in advance, predicated on the certainty of receiving the money. The fourth instalment has, in effect, been anticipated. Though not actually received, the business of the country has been based upon it. On the faith of it, debts have been contracted, engagements made, and business undertaken. The effect of disappointing these well-founded expectations, to say nothing of higher obligations, would be similar to that which would have been produced by a sudden call for the same amount, had no such expectation been excited. To the same extent, it would derange the business of the country. The same effect, he presumed, would be produced in most, if not all, the States from which the public deposites have been withdrawn.

It is not to be disguised that the States in which there is an amount of deposite, greatly exceeding, or even equalling, the amount of their proportion of the fourth instalment, have interests different from those who have none, and those interests have, to some extent, been seen in the votes of this House. In the deposite States, the deposites continue to be the basis of their bank circulation. Those States already enjoy the full benefit of the instalment and of a large surplus. He would now present the subject as a question of justice between the States.

The unavailable deposites in banks are principally, if not wholly, in ten States—Alabama, Louisiana, Mississippi, Tennessee, Kentucky, Missouri, Illinois, Indiana, Ohio, and Michigan. The amount on the 30th of August was over nine millions, at this time probably exceeding seven millions; while their proportion of the instalment is short of two millions and three-fourths. It is well understood that the deposite banks cannot make payment, even within the times limited by the bill from the Senate, (two, five, and eight months,) or in treble that time. Is it just that these States should retain, for almost an indefinite time, the possession and use of the seven millions, while the sixteen States, having none but available deposites, and even but little of these, should have no equivalent; that the only measure of relief—that which they seemed to have—should be withheld? He did not desire to press the deposite States; but, in his opinion, some measure was demanded which should mete out something like justice to the creditor and debtor States, without oppressing either; and he would appeal to the representatives of the deposite States, with what justice, with what hope, could they ask the other sixteen States to give them further time of payment, if they insisted on the postponement of the fourth instalment indefinitely, as proposed by the bill, or until December, 1839, as proposed by the amendment?

He would now state in what manner something like justice might be done to the now deposite States; and which being done, further time might be given to the deposite banks. It is this: authorize the Secretary of the Treasury to issue Treasury notes. As much as he abhorred this species of currency, he would consent to it for this purpose, and for this purpose alone: authorize the Secretary of the Treasury to issue Treasury notes to the amount of the fourth instalment, if necessary, without interest, receivable in payment of Government dues; give the States the option to receive either these notes or drafts on the deposite banks in their respective States, in payment of their share of the instalment; and give a reasonable time to the deposite banks to pay the surplus that would remain due. The States, in which there are sufficient deposites, would accept the drafts, if for no other reason, to relieve their banks. And thus the instalment to ten States would be satisfied, by a measure beneficial to them; and the expectations of the other States, to say nothing of the faith of the Government, would be satisfied. The reason of proposing that Treasury notes should be issued, and without interest, is to make an equivalent in value to the drafts on the deposite banks; and the equivalent might be further adjusted by the time at which they should be receivable for Government dues, and by the rate of interest that should be required of the deposite banks.

Thus far he had considered the subject as a question of justice between the States. He would now consider whether the measure proposed could be adopted under the present embarrassed situation of the Government. It was a question not of original choice, but of the greater evil. On the one side was presented the embarrassment from the disappointment of the well-founded expectations of the business of the country; on the other, the embarrassment of the finances of the country, and the resort to a paper money currency even for a temporary purpose. He would consider the measure in its relation to the finances of the country.

Gentlemen were not agreed on the state of the finances. Much had been said about the intelligibility and non-intelligibility of the Treasury report. Though a more succinct report would have been acceptable, yet, for one, he could say his difficulties did not arise so much from what was in the report as from what was not in it. He could ascertain, with sufficient accuracy, the amount of the deficiency of the present means: but was it not equally material to ascertain in what way the deficiency could be best supplied? It has suited the purpose of the Secretary to ask Congress to furnish supplies to carry on the Government to the 1st of January only, on a mere statement of present cash means, with reference to the actual means of the Government, which might be rendered available, and without relation to the fiscal operations of the ensuing year; and in this limited view of our financial situation, we are requested to postpone the fourth instalment indefinitely, and to issue ten or twelve millions in Treasury notes. It might reasonably have been expected that the Secretary would have laid before Congress statements similar to those usually made by a bankrupt on calling a meeting of his creditors. We had a right to expect not only a statement of our debts and cash on hand, but of all our assets. The want of a statement of our assets has afforded a convenient argument to the friends of the bill. Almost every gentleman who has supported it has insisted that, if we pay the instalment, we must create a debt. And the question is continually asked, will the people consent to borrow money, to be repaid by direct taxes, for the purpose of paying it to the States? Even were it necessary to borrow money for that purpose, why should the administration shrink from the responsibility now? The responsibility that has created the occasion—the necessity was boldly assumed. No, they will not borrow money, but they will take it from

the States, to avoid the responsibility of creating a debt—of borrowing money. But to enable the Government to pay this instalment, it is not necessary to create a debt, to be repaid by taxes. It is only necessary that Congress should convert its unavailable means into available means. All that is asked is, that we should anticipate the debts now due (though not payable) to the Government. This operation would require no tax; it would impose no new burden on the people.

He did not overrate the assets of the Government in estimating them at seventeen millions, exclusive of the duties on woollens in bond, (which, in New York alone, are estimated at two millions.) And all that is required, beyond the available means, for the operations of the Government and the payment of the fourth instalment, is to render fourteen millions of this seventeen available for present use. He would ask if the seventeen millions were now cash in the Treasury; if the New York fire bonds, (1,000,000,) the United States Bank debt, (6,000,000,) and money undrawn for in the deposite banks (7,500,000) were now paid, and the duty bonds (2,500,000) were not to be postponed, would any one propose to postpone the instalment even for a single day? Why then should we not draw on these resources, and fulfil the expectations of the country? He would not now stop to hold the balance between the bill and the amendment; he went against all postponement.

He submitted these considerations to the House. Those who held the power might adopt them or not, as they should prefer. The bill was in the hands of its friends. He was willing to meet the measures of the Administration in the shape and form they chose to present them. He did not desire to throw any embarrassments in their way by presenting amendments, either to consume time in discussing them, or to avert a direct vote on the propositions offered.

He regretted that no measures of general and permanent relief had been proposed for the embarrassment of the country—that the Government should have confined its measures to its own immediate relief. The whole country look to Congress for relief. They are—they will be disappointed. And on whom does the responsibility rest? On those who hold the majority. But we are tauntingly told, if you are not satisfied with the measures proposed by the administration, propose other and better measures. To this he answered that it was but fair to the administration to permit its friends to take the lead. By their acts, we had been reduced to our present extremity. It was their right, their privilege, their duty, to extricate us from it. He desired the sense of the House might be taken directly on their measures. If adopted, be it so. If rejected, it will be in due time then to propose other measures for the consideration of the House and of the country. And even then the prospect of succeeding in this House, in the other measures, would have its weight in determining the expediency of bringing them forward. But with what reason was the demand made? Our complaint is, that no measures of permanent relief to the country are brought forward—no measures tending to restore to it a sound currency. More than this, that the administration disclaims the power to afford such relief in any way or manner. It assumes that it has no constitutional power to give the relief. It plants a veto in advance. Why, then, in the face of the message, in the face of the opinion of more than one-third of this House, should we be called on to propose measures in which we can have no hope, at this time, of succeeding? Are we not met even in advance by a negative resolution from the Committee of Ways and Means, on one of the measures for general and permanent relief? He repeated, what better hope could be entertained for any other mode of relief when the constitutional power to grant any relief was denied by the Executive? It is said there is a time for all things; but the time is not now. He expressed only his own opinion. He was not authorized to speak for others.

But, we are asked, will you not support your Government; will you not supply the means to meet its expenditures; will you not relieve it from its present embarrassments? For one, he answered he would; but he reserved the right to judge of the measures proposed; to adopt or reject them as his judgment should dictate. But might he not stop to ask by what providence or improvidence the Government was brought to its present condition? Might he not ask, will your measures afford permanent relief to the Government itself? Might he not inquire whether the new experiments would not in the end, involve the Government and the country in additional embarrassments? The Government now proposes to separate itself from the States and the people. It asks relief for itself alone. How stands the case? The administration have been trying a grand experiment. Disregarding the experience of the past, and the admonitions and warnings of the best engineers, they have run their cars, with flange wheels, on one side only. The "I take the responsibility," with its train, went fair and smooth on the level and straight road; it was then the glorious experiment. But at the first turn, locomotive, tender, and passengers were all in the ditch together. The chief engineer finds his assistants and fireman can give him no aid. He calls on the passengers; he asks them to assist in getting his locomotive and tender on to the rails again: and the passenger cars, too? they ask. No, gentlemen; I intend to leave you where you are. I have constitutional scruples. What would probably be the answer of the passengers? He would not apply their answer as his answer. Before he gave a final answer he would ask the chief engineer, Pray, sir, if we do put you on the rails, how do you propose to proceed? He has already answered,—Try another experiment, merely by changing my flange-wheels to the other side. The unanimous opinion of the passengers would be that at the next turn he would be off and in the ditch on the other side; and entertaining that opinion, he would not, as one of the passengers, vote for any measure of relief to the Government that was unsafe for the people.

Mr. LOOMIS, of N. Y., after some brief remarks, demanded the previous question on the motion to reconsider, but consented to withdraw it at the request of

Mr. TOUCEY, who desired to present his views to the House. Mr. T. then gave way to

Mr. LYON, who said, as the previous question had been called, and might be sustained before he could obtain the floor, he would feel obliged to the gentleman from Connecticut to give way to him for a moment, till he could explain an erroneous impression under which the gentleman from Massachusetts [Mr. ADAMS] seemed to labor in regard to the deposite bank at Mobile. That gentleman (said Mr. L.) had assumed or supposed, in the argument which he had just concluded, that the amount on deposite in the branch of the Bank of the State of Alabama at Mobile to the credit of the Government, $1,020,856 26, had accumulated by operation of the specie circular, and that the drafts of the Secretary of the Treasury on the Bank for a little upwards of $200,000, drawn upon upwards of a million in specie deposited, had been protested. He begged to assure the gentleman that he was mistaken in supposing that the amount received on deposite at Mobile had accumulated by operation of the specie circular, or that it had actually been deposited in specie. The specie circular did not go into full effect until December last; and, although he had no means at hand of ascertaining the precise amount actually deposited in specie to the credit of the Government in the Branch Bank at Mobile, he would venture the opinion that it had not greatly exceeded $20,000. Since the specie circular, no public sale of land had taken place in Alabama;

and he did not believe much had been taken up by private entry since specie was required in payment. He was convinced that much the largest portion of the amount on deposite at Mobile had accumulated before the specie circular went into effect. A spirit of speculation, and in many instances a mistaken idea, as he feared, of the value of land, had induced many persons to enter tracts which, if now offered for sale, would not perhaps command the cost price But (Mr. L. said) his only object at present was to show that the bank at Mobile had not received upwards of a million in specie, and refused the draft of the Scretary of the Treasury for only about one-fifth of the amount received. He was aware that the amount received by the bank on deposite went to the credit of the Government as cash; but, as before stated, he was convinced a very small portion of the amount received was actually in specie.

Mr. L. said that, while up, he would take occasion to say to the gentleman from Massachusetts, and to the House, that no apprehension need be felt of the loss of one dollar of the amount on deposite at Mobile. The debt might be considered good beyond all doubt. The deposite bank belonged exclusively to the State; its own means and resources were, in his opinion, amply sufficient to answer all its liabilities; and, in addition to this, the faith of the State stood pledged for the fulfilment of its contracts. The amount, therefore, due from the bank at Mobile to the Government might be considered a perfectly safe debt; but he was aware the present situation of the bank and its debtors made it necessary that a reasonable time should be allowed for the payment of the amount due the Government, and he hoped such time would not be refused.

The hour of appointed recess having now arrived, the House took a recess till 4 o'clock.

EVENING SESSION.

The House resumed the consideration of the motion submitted by Mr. PICKENS, on yesterday to reconsider the vote on the bill to postpone the fourth instalment of deposite with the States.

Mr. TOUCEY said he rose for the purpose of stating very briefly the reasons which induced him to support the present bill. He was one of the number by whose agency, in the last Congress, the act regulating the deposites of the public money had become a law. It was well known to every one, to the whole country, that the great object of that law, so far, at least, as regarded the deposite with the States, was to dispose of a large and inconvenient surplus, which had accumulated in the Treasury. It was admitted on all sides, that this accumulation was a great and alarming evil. It was deposited in banks through every State in the Union; was used as banking capital for the benefit of stockholders; and stimulated the spirit of over-banking, over-trading, and excessive speculation, which then raged thoughout the country. Its tendency was strongly felt and distinctly visible here, to encourage extravagant appropriations and wasteful expenditure of the public money. This surplus was the evil to be remedied. It pressed with disastrous weight upon the great interests of the country. The object, acknowledged and avowed on all sides, was to remove it. That object had been fully and entirely accomplished. There was no longer any surplus in the Treasury. The reason of the law had ceased to exist.

Mr. T. said that the condition of the Treasury, about which so much had been heard, could not be concealed from any one. The most ordinary understanding could readily comprehend it. It was clearly disclosed in the Treasury report, and in the message of the President. The amount in the Treasury beyond the sum to be deposited with the States, was, on the first of January last, about six millions and a half. The income during the present year would be twenty millions, and the expenditure thirty-two million and a half. No one could fail to see, therefore, that the receipts for the year would fall short of the expenditures for the year twelve millions and a half, and, after applying the whole sum in the Treasury, on the first of January last, there would be a clear deficiency of six millions of dollars. One million of dollars is appropriated by law for the uses of the mint, and is indispensably necessary for its operations, pre-eminently so at this crisis, in the efforts of the Government to restore a currency of gold and silver. To say nothing of the charge upon the Treasury, arising from the extraordinary convention of Congress, the further sum of a million and a half is called for, and will doubtless be appropriated without opposition, for the immediate exigencies of the Florida war, increasing the deficiency from six to eight millions and a half. If the fourth instalment, therefore, directed to be deposited with the States, should be retained in the Treasury, amounting to nine millions and a third, and applied to the service of the current year, the Treasury would be exhausted: exhausted—for so it was with less than a million of dollars on hand, and a charge upon it of more than fifteen millions of unexpended or unsatisfied appropriations. This was the condition of the Treasury, if all its funds, wherever deposited, in banks or elsewhere, were immediately available in gold and silver. At the end of the year, if the present bill became a law, and the fourth instalment should be withheld from the States, all the money in the Treasury, including that instalment, and the deposites in the suspended banks, whether available or not available, and making the legal allowance for the mint, would be absolutely exhausted within less than a million of dollars, and leave fifteen millions of outstanding appropriations, unsatisfied and unprovided for, to be thrown upon the resources of the following year.

It had been said that the five millions in the hands of disbursing officers, should be applied to diminish this deficiency. But that was a manifest error. That sum had already once been taken into the account, and constituted a part of the twenty-four millions already expended; was considered as expended when paid out of the Treasury, and was in the progress of disbursement. It was too manifest to require illustration, that after that sum had been paid out of the Treasury, and regarded as having extinguished charges upon it to that extent, it could be again applied to extinguish the charges which still remained.

But this was not the worst aspect of our financial condition. By the Treasurer's report of the 30th of August last, we had twelve millions deposited in suspended banks, of which nine millions were in the Western and Southwestern banks, whose bills were at a discount varying from ten to fifteen per cent. It was notorious that these banks could not immediately respond to the demands of the Government, and a bill had already been sent here from the Senate giving them time. These funds were, therefore, deemed unavailable—not lost, but at present not available—and to supply the deficiency, the temporary deficiency, arising from this source, Treasury notes were to be resorted to. Those funds had already been drawn upon to the extent of about five millions, but these drafts had not been paid, and most of them would be chargeable upon our future revenues. It seemed very obvious, therefore, that a debt must be created, either in the form of drafts or Treasury notes, or a direct loan, to the extent of eighteen or twenty millions of dollars, if the present bill should not receive the sanction of Congress; in other words, if the fourth instalment, which was directed to be deposited with the States, upon the mistaken estimate that the revenue of the current year would be at least equal to the expenditure, instead of falling short of it near thirteen millions of dollars, should, notwithstanding this mistake, still be ordered to be made. The object of the law and the intention of Congress had been fully accomplished. The entire actual surplus had

been deposited. The letter of the law directed the further sum of nine millions to be deposited, which subsequent events had shown were no part of any actually existing surplus; and, if the law be now executed literally, you go counter to the designs of those who framed it; you create a debt of nine millions for the purpose of depositing nine millions with the States.

This, Mr. T. said, presented the issue upon which he was willing to go before the country, and he denied that Congress could, constitutionally or rightfully, borrow money or raise it by taxes in any form, for the purpose of depositing it with the States. They might go through with the forms of law, but it was a perversion and abuse of the powers of this Government to raise money for any such purpose.

Another alternative had indeed been suggested by an honorable member from Tennessee, [Mr. BELL,] that certain appropriations for the public works, for armories, for arsenals, for ships of war, for armament of fortifications, arming the militia, and other like purposes, might be diminished or suspended, that the fourth instalment might be deposited with the States. This presented another issue for the country—this would be even worse than had been predicted. It had been apprehended by many, very many, that a deposite of the federal treasure with the States would tend to defeat appropriations for the constitutional purposes of this Government, the very purposes for which it was called into existence. Worse than this had now already been witnessed. It had been recommended, urged upon them, to recall or suspend appropriations which a former Congress had made for proper and necessary constitutional objects; that the sum of nine millions of the public moneys, put into the hands of the Federal Government for those very objects, might be withdrawn from them and deposited with the States. Such a course could not receive his sanction; it would be contrary to his convictions of duty; and he had formed a very erroneous estimate of the intelligence and patriotism of the American people, or it would not meet with their approbation.

Mr. CAMBRELENG, adverting to the length of time consumed in debate, moved the previous question; but first asked that there might be a call of the House. This was agreed to, and the roll was called, when 215 members answered to their names.

A motion was made to suspend further proceedings on the call.

Mr. CAMBRELENG, to afford time for tardy members to come in, demanded the yeas and nays on this motion; they were ordered to be taken, and reported to be: Yeas 128, nays 74.

The motion for the previous question was now seconded by the House, without a count.

The previous question was then put and carried; and the main question being on reconsideration—

The yeas and nays being taken, resulted as follows:

YEAS—Messrs. Adams, Alexander, H. Allen, J. W. Allen, Beatty, Bell, Biddle, Bond, Borden, Briggs, Bronson, Bruyn, John Calhoon, William B. Calhoun, William B. Campbell, John Campbell, William B. Carter, Casey, Chambers, Chaney, Cheatham, Childs, Claiborne, Clark, Cleveland, Clowney, Connor, Crary, Cranston, Crockett, Curtis, Cushing, Darlington, Dawson, Davies, Deberry, Dennis, Duncan, Dunn, Edwards, Elmore, Evans, Everett, Ewing, R. Fletcher, Fillmore, Foster, Rice Garland, Gholson, Glascock, Goode, J. Graham, William Graham, Grantland, Grant, Graves, Gray, Grennell, Griffin, Hall, Hammond, Hamer, Harlan, Harper, Hastings, Haynes, Henry, Herod, Hoffman, Holsey, Hopkins, J. Jackson, Jenifer, Henry Johnson, N. Jones, Kilgore, Legare, Leadbetter, Lewis, Lincoln, A. W. Loomis, Lyon, Mallory, Marvin, Samson Mason, Maury, May, Maxwell, McClure, McKim, McKennan, Menefee, Mercer, Milligan, Montgomery, M. Morris, C. Morris, Murry, Naylor, Noyes, Ogle, Patterson, Peck, Petrikin, Phillips, Pickens, Pope, Potts, Prentiss, Rariden, Reed, Rencher, Rhett, Richardson, Ridgway, Robertson, Rumsey, Russell, Sawyer, Sergeant, A. H. Shepperd, C. Shepard, Shields, Sheplor, Sibley, Slade, Smith, Snyder, Southgate, Stanly, Taliaferro, Thompson, Tillinghast, Titus, Toland, Towns, Underwood, Vail, Vanderveer, A. S. White, J. White, E. Whittlesey, L. Williams, S. Williams, J. Williams, C. H. Williams, Wise, Worthington York—149.

NAYS—Messrs. Anderson, Andrews, Atherton, Aycrigg, Beirne, Bicknell, Birdsall, Boon, Brodhead, Buchanan, Cambreleng, T. J. Carter, Chapman, Cilley, Coles, Craig, Cushman, Davee, DeGraff, Dromgoole, Farrington, Fairfield, Isaac Fletcher, Fry, Gallup, Haley, Halsted, Harrison, Hawes, Hawkins, Holt, Howard, Hubley, W. H. Hunter, Robert M. T. Hunter, Ingham, T. B. Jackson, J. Johnson, W. C. Johnson, J. W. Jones, Kemble, Klingensmith, Logan, A. Loomis, J. M. Mason, Martin, McKay, R. McClellan, A. McClellan, Miller, Moore, Morgan, S. W. Morris, Muhlenberg, Noble, Owens, Palmer, Parker, Parmenter, Patton, Paynter, Pennybacker, Phelps, Plumer, Randolph, Réilly, Rives, Sheffer, Spencer, Stewart, Stratton, Taylor, Thomas, Toucey, Turney, Wagener, Webster, Weeks, Thomas, T. Whittlesey, J. W. Williams, Yell—81.

So the House resolved to reconsider the vote by which the bill had been ordered to a third reading.

Mr. PICKENS moved his amendment to limit the postponement to the 1st of January, 1839.

Mr. HAYNES proposed to Mr. P. to modify his amendment by adding, "according to the provisions of the deposite act of June, 1836; provided there shall be a sufficient surplus in the Treasury."

Mr. PICKENS expressed his personal willingness to adopt this as a modification, but all his friends told him it would kill his amendment, and, on the whole, concluded, though with regret, not to accept it.

After some desultory conversation, Mr. HAYNES concluded to withdraw his proposition.

Mr. ADAMS now moved to amend the amendment of Mr. PICKENS, by adding the following:

"And all the balances of public moneys due from all the deposite banks are hereby appropriated to the said payment, and no part of them shall be applied to any other payment whatever; and if the portion of the said balances due by the said deposite banks cannot be recovered in time to enable the Treasuary to pay the whole of the said deposite with the States, hereby made payable on the 1st of January, 1839, then the instalment of debt from the late Bank of the United States for the stock in that institution held by the United States, payable in October, 1838, is hereby appropriated to make up any insufficiency of the sums recovered from the deposite banks, to complete the said payment of the fourth instalment of the deposite with the States. [And if the said sums, so appropriated, should still prove insufficient to complete the said payment, the faith of the United States is hereby pledged that provision shall be made by Congress to complete the same."]

But presently after said that, at the suggestion of several of his friends, he would modify it so as to omit the last clause, "pledging the public faith;" and the amendment was stated to the House without that clause.

Mr. PHILLIPS, of Massachusetts, said he might disclaim, as perhaps all should discard, the disposition to enter at large into the discussion, in the present stage of the debate. He wished to present a single view, adapted to the ascertained state of opinion in the House.

The bill is entitled "A bill to postpone the payment of the fourth instalment." It provides for its postponement until the further action of Congress. The amendment offered by the gentleman from South Carolina [Mr. PICK-

ENS] provides for its postponement until the 1st of January, 1839. The amendment to the amendment offered by my colleague [Mr. ADAMS] proposes to make a special appropriation of funds, and pledges the faith of the Government to meet the payment on the day to which, by the amendment, (of Mr. PICKENS,) it is to be postponed. The bill and amendments propose nothing further than postponement, and, it would seem, cannot be otherwise construed than as warranting the expectation, or conveying the assurance of future payment. While the bill was in Committee of the Whole, an attempt was made to change its object, by substituting a provision for the unconditional repeal of the deposite act, so far as it requires the payment of the fourth instalment; and it will be recollected that this proposition scarcely received any support, not more than twenty or thirty members voting for it. But just now an amendment offered by the gentleman from Georgia, [Mr. HAYNES,] designed to qualify or annul the obligation of future payment, had been withdrawn, upon the intimation that it was unacceptable to the party with which the gentleman acted. These facts, in connexion with the declared object of the bill and pending amendments, would seem to show, beyond doubt or controversy, that a great majority of the House admit, or will not assume the responsibility of denying, the obligation of the Government to provide for the payment of the fourth instalment; that this large majority intend, or wish to appear as intending, to assure its payment to the States; and that the design, openly avowed and consistently advocated by a few gentlemen (originally opposed to the deposite act) of absolutely withholding the instalment, is, professedly at least, disclaimed by all others. What is proposed is a delay of payment; and if the bill again passes, with or without the pending amendments, the obvious conclusion would seem to be that, so far from impairing, it must be construed and should be represented as reasserting and confirming the "contract" or "promise" contained in the deposite act.

Upon this point it is important that there should be no misapprehension or misrepresentation, here or elsewhere. Whatever is intended, and all that is intended, should be distinctly understood. The supposed rights and manifold interests of the States and people are deeply involved in the fate and character of the bill. Our decision upon it is anxiously awaited by our constituents; and, be that decision what it may, they ought to be satisfied at least that there has been no attempt to deceive us or them. They would prefer, and we ought to prefer, that their rights should be voluntarily surrendered, and their interests magnanimously sacrificed, if the condition of the country requires so much, than that we should resort, or should blindly follow the guidance of those who insidiously resort to the specious pretext of postponing their claims, with the secret expectation and perfidious intention, by such postponement, of defeating them. They would deprecate, above all things else, that any of us should prove ourselves, or suppose them, capable of being humbugged.

With a caution in reserve, therefore, against false appearances, I say again that the proposition for postponement, in any of its forms, carries upon its face the acknowledgment that this Government is bound, and intends, according to the terms of the deposite act, to pay hereafter the fourth instalment to the States; and I appeal to the majority who have given to the bill its present shape, and to such others as may be disposed to support the proposed amendments, whether this construction does not conform to their wishes and expectations? I am aware, and have stated the fact which proves it, that an inconsiderable number of members deny the obligation of payment, and are ready at once, with the frankness and decision which become their station, to extinguish the hope that will be encouraged by postponement. With their views some of them may support the bill, as suited for a time to effect their purpose of withholding the instalment; while others may deem it a more honest course, by voting against the bill, to express their dissent from the principle of postponement. They have acted openly and fairly in declaring their opinion, and the reasons for it; and their constituents, I trust, if they should not approve their views, will give them due credit for honesty and independence. Their number, however, is inconsiderable, and must have been tested by the vote in Committee of the Whole on the proposition to repeal the deposite act. Can there be any other members who agree with them in opinion, or at least intend the same object, but are willing to imitate their independence and to share their responsibility? If such an imputation would be unjust, does there remain any other conclusion than that it is the settled opinion of the House that the fourth instalment ought to be paid, and that, by the act of postponement, it is their settled purpose that it shall be paid?

If such be the ascertained state of opinion in respect to the obligation of the Government, the only question to be decided is, that of expediency in regard to the time and manner of discharging it. The time has arrived for the payment of what is equivalent to an acknowledged debt; and though an appropriation was long since made of money specially reserved for the purpose, it is alleged that there were not sufficient available funds in the Treasury to pay it promptly and in cash. I will not stop to inquire why the money set apart for this object has been diverted to other uses, and, least of all, shall I attempt to solve the problem which seems to have perplexed every gentleman who has undertaken to ascertain the actual condition of the Treasury. I am willing to suppose that the worst has not been told, and that, from whatever causes, the Government, at this moment, is unable to avail itself of any pecuniary resource but its credit. It is well for the country that this resource can hardly be impaired by the mal-administration of the Government; and it is peculiarly fortunate that, at this critical period, it is a resource which may be at once easily and efficiently availed of for the support of the Government and the relief of the people. To avail of the public credit for the purpose of creating an unnecessary debt is a policy which will find but few advocates, even among those who have held to the exploded theory that, in some of its influences, a public debt may be a public blessing. But when the use of the public credit has become the only means of providing for the payment of a debt actually incurred, it is not an untried expedient in finance, or a measure of doubtful utility, promptly to resort to it; more especially when, at this moment, the Government is suffering as well as the people, not so much from the want of means, as from the difficulty of rendering them available, on account of the derangement of the currency, and when the judicious use of the public credit may operate, to some extent, as a remedy to the disorders of the currency. I proceed, then, upon the presumption that the Treasury is unable, in its present condition, to provide for the payment of the fourth instalment; and I agree with the advocates of the bill that the payment, in money, shall be postponed; I differ from them only in regard to what should be the substitute for present payment. They propose to postpone the payment, and to renew the obligation, by declaring it postponed; I desire to renew the obligation, in another form, and instead of furnishing to the States the security of an implied pledge of future legislation, which is of no pecuniary value until it is redeemed, to grant the more available security of those certified pledges of the public faith which will enable the States forthwith to raise the money upon the credit of this Government. The time of payment at the Treasury may be definite or indefinite, as the House prefer; and the obligation imposed upon the Government can be no greater and no other

than what may be supposed to be intended by the passage of this bill. The arrangement will be in all respects the same as is usually adopted by debtors and creditors under similar circumstances. A debtor has promised to pay a given sum on a given day, and when the time arrives he finds himself without available funds; he desires to postpone the payment, and offers to the creditor his note, payable on demand, or at a future day; by negotiating which, the latter may at any time obtain the money. To follow the course preferred by the advocates of the bill, the debtor would propose to the creditor that, instead of tendering any negotiable security, he should barely make a memorandum in his account-book, setting forth the fact of postponement, with an understanding that it should be regarded as a pledge of payment--a mode of adjustment so exclusively beneficial to one party, and injurious to the other, that no debtor could deem it respectful to suggest it.

This, briefly stated, is the view which I have desired to submit; and I will only endeavor further to illustrate and enforce it. I say, then, taking the bill in its original shape, that, so far as this Government is concerned, it makes no difference whether we simply enact that the payment of the fourth instalment shall be postponed until the further action of Congress, considering the public faith as thereby pledged for future payment, or whether we authorize an issue of Treasury notes to the amount of the instalment, redeemable at the pleasure of the Government. I say, further, in reference to the amendment offered by the gentleman from South Carolina, [Mr. PICKENS,] that, so far as this Government is concerned, it makes no difference whether we enact that the payment shall be postponed to the 1st of January, 1839, considering it obligatory upon the Secretary of the Treasury then to provide for it, or whether we authorize an issue of Treasury notes payable on that day. In either case, all that proceeds from this Government is, in substance, a pledge of the public faith, which presupposes and guaranties the debt; and neither the obligation, nor the time, nor the amount of payment, is varied by the form in which the pledge is conveyed. If such a pledge of the public faith is intended by the passage of the bill, and if it is intended to redeem the pledge, the issue of Treasury notes can only be considered as one mode of carrying the object of the bill into effect, and the Government can receive no detriment to its rights or interests from assenting to such a measure.

But if it makes no difference, so far as this Government is concerned, whether we withhold the instalment under a promise, express or implied, of future payment, or whether we provide for the issue of Treasury notes, it makes an incalculable difference so far as the interests of the States are to be affected; and, under present circumstances, it becomes a matter of vast importance in respect to the comparative influence of the two measures upon the condition and immediate prospects of the people. To the States, for the time being, it makes all the difference of the acquisition or loss of the large amount involved; and besides disappointing their just expectations, and leading them to cherish an unpatriotic distrust of the faith of this Government, it will subject them to serious inconveniences and embarrassments in conducting the arrangements, for the completion of which they had relied upon the prompt receipt of their respective dividends of the fourth instalment. Various as are the useful purposes to which the money would have been applied, they must be delayed, interrupted, or frustrated by the passage of the bill; and where, as in many instances, the States have entered into contracts, based upon the anticipation that the money would be forthcoming from our Treasury, they must either diminish or exhaust whatever supplies of revenue they possess, or be compelled to resort to loans or taxes to make good the deficiency for which we are responsible. The representations which have been made in the course of the debate will give us some idea of the disastrous consequences that must result to many of the States from the postponement of payment. In some of the States, works of improvement, the construction of railroads and canals, and the erection of public buildings, have been undertaken upon the security of this fund, and they must be suspended, or, at best, can only be prosecuted in the face of a formidable obstacle. In other States, the fund has been applied to the creation or enlargement of a system for the support of schools; and this most beneficent object must be hindered, if the means of further aid, which we have promised, are withheld. Some of the States have subdivided the money among their counties and towns, under whose control it has been devoted to local purposes of manifest utility, or loaned to individuals for the promotion of laudable enterprise; and in many of these cases liabilities have been incurred, which, if we do not fulfil our ag eement, can only be extinguished by an increase of county and town taxes, the most odious form in which burdens are imposed upon the people. In short, the States have relied, as it was their right and duty to rely, upon the punctual payment of the fourth instalment; and we are not to rebuke their improvidence, but, on the contrary, they may chide our unconcern, if a train of evils, which they cannot control, but which we might prevent, should be the consequence of postponing it. Of this train of evils, such as have been described must be immediately experienced by the States, but the measure of calamity will not be full, until, in all their direct and indirect effects upon private as well as public interests, the people are made to feel that they, in the end, are the greatest sufferers. By this, in fact, as by every act of misgovernment, the people, strictly speaking, are the only sufferers; and under a government of the people, it is the unpardonable sin of legislation that the effect of measures upon the real condition of the people is often totally disregarded.

Let us consider, then, somewhat more in detail, the injurious consequences involved in the bill, and contrast therewith the beneficial results of the change, in form rather than in substance, which I recommend. If the bill pass, the States, as has been shown, will be subjected to inconvenience; and whatever they are compelled to forego, to surrender, or to sacrifice, will be at the expense of the people. If public works are to be arrested in their progress, laborers must be discharged; the price of labor, if competition is diminished, must be reduced; and the mischiefs of idleness and the miseries of poverty must be augmented. The community, too, must sustain the loss of all it would have gained from the advancement or completion of such enterprises; and many of the sources of an increase of wealth, of comfort, and of enterprise, must be closed up. If the school fund is is to be retrenched, the advantages of education must be more restricted, its cost enhanced, and perhaps its standard depreciated; and thus the hopes of parents, and the prospects of children, will be temporarily overshadowed. If the projected distribution of the money in loans to individuals is defeated, all the advantages which might accrue to them, and through them to others, and the necessary contribution of these advantages to the public good, must be relinquished. However applied or disbursed in the first instance, the acquisition of so much fixed capital cannot fail to be of inestimable benefit to the States, especially the new States; and the loss of it, particularly when, being promised, it had been confidently anticipated, will be worse than a misfortune, since it will have been the result of not only inexpedient and unjust, but of unnecessary legislation.

Through the medium of Treasury notes, payment may be made to the States without inconvenience to the Treasury; and, in addition to all the benefits of the use of the money, the people will derive from the mode of payment a most important advantage in the present condition of the

country. The chief evil under which the country suffers has been justly represented by the chairman of the Committee of Ways and Means, as "the want of internal circulation." The old, long-tried, and well-approved system of domestic exchanges has been broken up; and, from political causes at present beyond our control, there is no hope of restoring it. The difficulty is everywhere experienced of transmitting funds from one section of the country to another, and, in consequence of this difficulty, a great amount of debts remain uncollected, to the serious detriment of a large portion of our most industrious, enterprising, and meritorious citizens. By the proposed distribution of Treasury notes among all the States, the means will be extensively afforded of making remittances for the settlement of such debts; and, after performing this service, the same Treasury notes may be still further useful in the payment of debts to the Government, for which no other substitute for specie is now receivable.

In this view of the comparative effects of postponing or of providing, by the method proposed, for the payment to the States, it seems to me impossible to avoid the conclusion that all considerations of expediency strongly urge the adoption of the latter alternative. Why, then, should the friends of the administration be unwilling to sanction and adopt it? Do they not perceive that in its spirit and tendency it is but an act of justice to the States, and that it will be a great measure of relief to the people? Do they not also perceive that to postpone is, for all present purposes, to refuse the payment? Is it too harsh a judgment to be formed here, or to be pronounced elsewhere, that their professions are insincere; that their purpose is disguised; that the bill is deceptive in its character; and that the door is now to be closed forever against the hope of payment? I am unwilling to come to such a conclusion; but yet, when I consider the effect of the bill; when I review the course of the discussion; when I recall the votes which have been taken; when I notice how many who were unwilling to assume the responsibility of voting for the repeal of the deposite law are acting in concert with its avowed and consistent opponents upon every question which tends indirectly to the same issue; when I am cempelled to feel that this has been made exclusively a party question, and that the independence and honest regard for the welfare of the people which, upon the passage of the deposite law, emboldened the great body of the party to break loose from the dictation of their leaders, are now merged in submission to the unaltered purpose of these very leaders; when I ponder the future course of the administration, and anticipate the difficulties which may be interposed against a favorable consideration of the claims of the States in 1839, or at any time thereafter, I cannot resist the inference that, if this bill is carried, it will be carried under the expectation and in subservience to the design of securing to this Governmnnt the permanent use of what remains of that large fund, the use of the whole of which, by the provisions of the deposite law, was secured to the States. A different purpose, honestly maintained, should be otherwise expressed than by voting for this bill; and, however gentlemen may represent the matter to their constituents, the recent indications of public obinion are too cheering to warrant the apprehension that the people of the States will not treat as it deserves this renewed attempt to subject the action of the Legislature to the control of the Executive, and to aggravate the distress of the country under the specious pretext of relieving the Government.

Mr. PATTON opposed the amendment of Mr. ADAMS, and said if it prevailed he must go against the bill. This made it a donation and not a deposite, increasing the difficulty of ever getting the money back from the States.

Mr. LOOMIS, of New York, asked Mr. ADAMS to modify his amendment by substituting "deposite" for "pay."

Mr. ADAMS said he would accept this as a modification, if the gentleman would then vote for the amendment. [A laugh.]

Mr. LOOMIS declined. [Laughter.]

Mr. ROBERTSON was opposed to the amendment and the bill. He did not see how the Government could pass it without a manifest breach of faith. In this instance, the United States Government, by the deposite law of 1836, had pledged itself, and, in his opinion, it was bound, to perform what it had promised. He would like to know how it was that the money which had been laid apart for this purpose had been disposed of. On the 1st of January, 1837, the amount was actually in the Treasury; and he wished to know what law justified the Secretary to lay his hands on a single dollar of this special deposite. If the Secretary had used it for other purposes, he had offended against the law of the land. No man had a right to use what had been destined for a specific object. It had been said that the money was in the banks, and not available, and that the States would not like to accept it in the paper of those institutions. But that was the concern of the States. They were willing to receive it in any way it could be given; and he was sure that Kentucky, Massachusetts, and other States, could make those notes available. Let the Government pay them with what it had; they asked no more.

Mr. BOULDIN said he had taken no part in the debate, but had voted for the bill, and against its reconsideration. He had done so with some doubt as to the propriety of such a vote. The only doubt he had, arose from a question in his mind whether we had not better make sale of the stock, or rather the bonds, which he understood to be due for the sale of stock in the late Bank of the United States. Perhaps they would bring their nominal amount, or might bring something less. The money received into the Treasury, as well as all sums of money in times of great speculation, and especially when there is a great proportion of paper money in circulation, was in a degree fictitious. It seems, he said, that we are now returning to more reasonable valuations of every thing, and he did not know why the Government should not suffer some loss as well as its citizens, when they all seem to have acted under the same delusion. Perhaps the people would be less distressed by a loss on these bonds than in any way that they could make a sacrifice. Mr B. did not believe, however, that there would be any loss upon them if sold.

But the Secretary of the Treasury had said the money is wanting, and it seemed that there was no probability of getting it in any way by a vote of this House, unless it is by withholding this fourth instalment. Mr B. had been willing, along with his friends, to vote for the bill.

If the money is needed, he is sure his vote can be justified. If it be not wanted, he cannot see how the bill can be justified, in his view of the matter. As the bill now stands, it withholds the fourth instalment, and gives up the first three which are paid. Mr. B. voted for the proposition of last session, proposing to deposite only on the ground that we had got the people's money, either by mistake or wrongfully, and that we ought to restore it to them. He thought we could have done so more equally and justly by stopping the sales of the public lands, and taking off some of the taxes. He thinks so still. He views this fourth instalment as a mere essay to restore so much money to the true owners, but very unequally. If, then, the money be wanted here, the people must, in some way, in some time, be taxed to raise it. It is much cheaper to pay our taxes with what we have, than to raise the same sum by taxing the people again for it; and then it goes back into the pockets it came out of. By the deposite law, few of the true owners from whom it was taken will ever get much of it. To raise ten millions by any kind of taxes will require something like twelve millions tax, to include expenditures. To pay ten millions of public dues, with that

sum of the people's money in hand, will cost nothing more than that sum. No expense; no commissions; no losses. Why, then, not pay it if it be wanting? If not, why withhold it? Mr. B. wanted no bonds on the States. We have an execution, or that which is equal, against every particle of property of every citizen, and command of his personal services, and even of his life, if the public necessities require it. We can levy duties and taxes, which are equal to an execution, and why prefer a bond? Mr. B. could not vote for any thing to be attached to this bill that would leave any after-claps. He wished to settle as he went. He wished the Government to have as much as it needed, and not one cent more. He had said, on the passage of the deposite bill, that unless we get rid of these vast sums entirely, they would ruin us. If we keep them here, they will ruin every thing. If we place them about in any way in the States, reserving any discretionary control over them, they will ruin us. It is impossible not to see and to feel the solicitude now produced by this call. Men are obliged to feel that the calling for or not calling for this sum, must affect the interest of their constituents. Public works are undertaken in consequence of these deposites and promises to deposite. Is it not manifest that this power to call or not call, puts, to a great extent, into the hands of the Federal Government that controlling power over the States, and the representatives of the people of the States, for which they have been so long, and in so many ways, reaching?

Mr. B. wanted to settle finally, and leave each Government free of the other, exactly in that condition in which the constitution of each placed them.

Mr. B. had often said in this House, and would repeat it, that the greatest difficulties we had to encounter arose from having, or having had, or having supposed we had, these great sums. Collect them (said he) in gold and silver, and place them in strong boxes, and guard them with bayonets, and who will keep the bayonets off them? Deposite them, and we see what it comes to!

But, said Mr. B., collect no more than you want, and pay as soon as you get it, and this trouble is over. Ten times the amount of the proper revenue of the United States is collected every year by deputy sheriffs and constables, and all paid over, or with very little loss. And why, sir? It is because there is a carping, anxious plaintiff, or creditor, ready to receive it in any money that is paying. So it would be with us, if we collected no more than we had use for.

Mr. B. said he would conclude by saying that his great dread was, if we leave this money to be collected and paid hereafter, about the time the tariff compromise was about to expire, we should be told we must keep up a high tariff to pay this money. How else can it be paid? The quarters from which most of these propositions came being mostly high tariff, he could not but feel sure that this would be the end of it. He would vote again for the bill if unaltered; but against it if any provision for after-claps were attached to it. He wanted to strike a balance now; and if hereafter we should get such sums as we had, or supposed we had, we can easily open a new account, and pass another deposite law should we find it necessary, which God forbid!

The yeas and nays were now taken on Mr. ADAMS's amendment, and resulted as follows:

YEAS—Messrs. Adams, Alexander, H. Allen, Bell, Bond, Borden, Briggs, W. B. Calhoun, J. Calhoon, Wm. B. Campbell, W. B. Carter, Casey, Chambers, Cheatham, Childs, Corwin, Cranston, Crockett, Curtis, Cushing, Darlington, Davies, Deberry, Dennis, Dunn, Evans, Everett, Ewing, Richard Fletcher, Fillmore, Rice Garland, Goode, Wm. Graham, Graves, Grennell, Hall, Harlan, Harper, Hastings, Hawes, Henry, Herod, Hoffman, Jenifer, Henry Johnson, Wm. C. Johnson, Lincoln, Andrew W. Loomis, Mallory, Marvin, Samson Mason, Maury, May, Maxwell, McKennan, Menefee, Mercer, Milligan, M. Morris, C. Morris, Naylor, Noyes, Ogle, Parmenter, Patterson, Pearce, Peck, Phillips, Pope, Potts, Rariden, Randolph, Reed, Rencher, Ridgway, Rumsey, Russell, Sergeant, A. H. Shepperd, Sibley, Slade, Snyder, Southgate, Stanly, Stratton, Tillinghast, Toland, Underwood, Albert S. White, John White, Elisha Whittlesey, Lewis Williams, Jos. L. Williams, Christopher H. Williams—94.

NAYS—Messrs. John W. Allen, Anderson, Andrews, Atherton, Aycrigg, Beatty, Bicknell, Birdsall, Boon, Bouldin, Brodhead, Bronson, Bruyn, Buchanan, Cambreleng, John Campbell, Timothy J. Carter, Chaney, Chapman, Cilley, Claiborne, Cleveland, Clowney, Coles, Connor, Craig, Crary, Cushman, Dawson, Davee, DeGraff, Dromgoole, Duncan, Edwards, Elmore, Farrington, Fairfield, Isaac Fletcher, Foster, Fry, Gallup, Gholson, Glascock, James Graham, Grantland, Grant, Gray, Griffin, Haley, Halsted, Hammond, Hamer, Harrison, Hawkins, Haynes, Holsey, Holt, Howard, Hubley, William H. Hunter, Robert M. T. Hunter, Ingham, T. B. Jackson, Joseph Johnson, N. Jones, J. W. Jones, Kemble, Kilgore, Klingensmith, Legare, Leadbetter, Lewis, Logan, Arphaxed Loomis, Lyon, J. M. Mason, Martin, McKay, R. McClellan, Abraham McClellan, McClure, McKim, Miller, Montgomery, Moore, Morgan, S. W. Morris, Muhlenberg, Murray, Noble, Owens, Palmer, Parker, Patton, Paynter, Pennybacker, Petrikin, Phelps, Pickens, Plumer, Potter, Pratt, Prentiss, Reily, Rhett, Richardson, Rives, Robertson, Sawyer, Sheffer, C. Shepard, Shields, Sheplor, Smith, Spencer, Stewart, Taliaferro, Taylor, Thomas, Thompson, Titus, Toucey, Towns, Turney, Vail, Vanderveer, Wagener, Webster, Weeks, Thomas T. Whittlesey, Sherrod Williams, Jared W. Williams, Wise, Worthington, Yell, Yorke—135.

So Mr. ADAMS's amendment was negatived.

The question now recurring on the amendment of Mr. PICKENS,

Mr. HAYNES renewed his amendment, stating that it was intended to avoid the conclusion first mentioned by him, that it would create an unconditional charge upon the Treasury. That there was no difference in principle between the amendment of the gentleman from South Carolina, and an immediate deposite by the issue of Treasury notes, payable on the 1st of January, 1839, as had been conclusively shown by the honorable gentleman from Massachusetts, [Mr. PHILLIPS.] Further, he offered it as a direct expression of what had just been indirectly expressed by the vote upon the amendment of the honorable member from Massachusetts, [Mr. ADAMS,] that this House will not, in any form, make an appropriation to meet the pledge contained in the amendment of the honorable gentleman from South Carolina, [Mr. PICKENS.]

Mr. WILLIAMS, of North Carolina, moved to lay the bill and amendments on the table, and demanded the yeas and nays; which were ordered and taken, and stood as follows: Yeas 101, nays 132. Negatived.

The question now being on Mr. HAYNES's amendment to the amendment of Mr. PICKENS,

Mr. BELL, after an animated speech, submitted a motion, to recommit the bill and amendments to the Committee of the Whole on the state of the Union, with instructions to report the following as a substitute for the bill:

"That the payment of the fourth instalment required to be deposited with the States, by the act of the 23d of June, 1836, be postponed until the 1st day of October, 1840; and that moneys to that amount, now in deposite to the credit of the Treasurer, and other public officers, in any of the deposite banks, be, and the same are hereby, appropriated for the payment of the same.

"Sec. 2. *And be it further enacted*, That it shall be the duty of the Secretary of the Treasury, as soon as may

be after the 1st day of October next, to proceed to tender and transfer to the several States his drafts or orders to pay their respective portions of said moneys; and that it shall be lawful for any State, which may be willing to accept such drafts or transfers in payment of its proportion of said instalment, according to the terms of said act of the 23d of June, 1836, to receive the same; provided, nevertheless, that any bank or banks upon which such transfers or drafts shall issue, upon the condition of paying to the States holding the same interest at the rate of five per cent. per annum quarterly, shall be required to pay the principal only in the following instalments, to wit: one third on the 1st of October, 1838; one-third on the 1st of October, 1839; and the remainder on the 1st day of October, 1840."

Mr. B. demanded the yeas and nays on this motion, and they were ordered by the House.

Mr. CAMBRELENG hoped the House would reject the motion, and pass the bill this night.

Explanations passed between Messrs. ADAMS and BELL in reference to the instructions.

Mr. THOMAS rose to protest against the proposition made by the gentleman from Tennessee. It would work gross injustice. Several of the States have within their jurisdiction banks having in them an amount of public money equal to the sum to which they are entitled under the deposite law. In other States, the amount of public money left on deposite is very small, far short of the portions of those respectively. Now, the gentleman proposes that the Secretary of the Treasury shall issue drafts in favor of the several States, for the deposite of the fourth instalment. If these several drafts are not paid, the bank refusing to pay is to be charged with interest at the rate of five per cent. per annum, and to give security for the payment of the whole amount of the drafts by instalments, the last of which is to be payable in October, 1840. Undoubtedly, nearly all the banks will take advantage of this latter privilege. Money is worth more than five per cent., and it will be retained by the bank to make a profit on it. What, then, will be the effect of the gentleman's proposition on several of the States? Tennessee and other Western and Southwestern States have, in their banks, more money than they will be entitled to receive. The States so situated will, of course, realize the money to which they are entitled immediately. The drafts in their favor will be honored without difficulty by the banks in their limits, because they can be paid in the notes of those banks at par, for all local purposes. But the fate of the drafts in favor of many of the Atlantic States must be very different. They will be dishonored. Payment of them must be refused. The States of New York, Pennsylvania, Massachusetts, and others, would, for instance, hold drafts on the deposite banks of Tennessee, Alabama, or Louisiana. For these drafts, the States named could not and would not take the notes of the banks upon which they were drawn. Such notes would be ten, and, perhaps, fifteen per cent. below the value of gold and silver. The States are required to give bond, conditioned for the repayment of the deposites to the United States in specie or its equivalent; and it is not to be supposed that they would receive a depreciated currency. These objections cannot but be conclusive against the mode in which it is now proposed that the Secretary shall make the deposite of the fourth instalment, under the law of June, 1836. The fact is, the wit of man cannot devise a mode in which the Secretary can, at this time, make the deposites with the States. The refusal of the banks to pay specie has changed the relative value of the public moneys, with which they have been respectively intrusted. There are but two modes by which these funds can be readily brought to one common standard. One is by the resumption of specie payments; and the other is by suits upon the contracts between the United States and the depositories of the public money. Time, a long time, will possibly transpire before either, by a voluntary or compulsory payment in specie of the debts due to the United States, by the deposite banks, will put it in the power of the Secretary of the Treasury to execute the deposite law. And, in the mean time, unless Congress is disposed to embarrass a public officer, by refusing to perform that which is impossible, the postponement which has been asked for by the Executive, and which the bill before the House proposes to authorize, must take place.

The opponents of this bill have not stated correctly the purpose of its friends. We do not design to withhold from the States money to be expended by Congress. If the bill before us should become a law, the funds in the deposite banks will not be used to pay appropriations made heretofore, or to be made at the approaching session. By a bill before us from the Senate, which will probably pass this House, the deposite banks will be authorized to retain the public money now held by them for a limited period. Until the expiration of that period, these funds will not be subject to draft by the Secretary of the Treasury. They will, in contemplation of law, be out of the Treasury; and, in their stead, the Treasurer will hold the bonds of the banks payable hereafter. We are not, then, struggling to withhold money from the States for the benefit of the United States; we are endeavoring to adjust, fairly, the conflicting claims of two classes of public depositories—the States and the State banks. By the deposite law of 1836, the whole of the public money was placed in State banks, subject to be drawn therefrom in part for appropriations, and in part for deposite with the States. The deposite with the States was to be made in four instalments; three of those instalments were made before the suspension of specie payments; the fourth instalment was to have been made on the 1st of October. The Secretary of the Treasury has the funds to make it in; he has not used for public purposes all the money set apart by the deposite law for the States. It is now where it was on the 1st of January, 1837. But the banks will not pay it in such a currency as the several States require. What, then, is to be done? The answer is obvious. Either Congress must direct the Secretary to commence proceedings to compel the banks to pay his drafts in funds which the States will receive, or we must authorize the Secretary to postpone the execution of the deposite law, or repeal it. This House is not now prepared to repeal the law as it ought to do; public opinion has not spoken to that effect; but it may be heard, when time has been afforded for reflection, demanding an adherence to the constitution of the United States, and an abandonment of that policy which had established so many embarrassing and conflicting relations between the United States, the States, and the State banks. The repeal of the law cannot now be attempted; neither will any man propose to institute suits against the deposite banks to bring the funds they hold to one common standard, that they may be equitably apportioned among the States. If, indeed, a majority were disposed to compel the banks, by legal process, to pay specie or its equivalent for the deposites they hold, still time would be indispensable to consummate such a measure. There is no view in which this subject can be contemplated that does not result in the conviction that the Secretary cannot, that Congress cannot, take these deposites from the banks and place them in the custody of the States at this time; and a bill to give time to all parties is imperiously demanded.

Mr. T. would not animadvert on the proposal to issue Treasury notes, to borrow money to be deposited with the States, because he did not believe that any considerable portion of the House would sanction a measure violating, in his opinion, grossly, palpably, the fundamental principles of the federal constitution.

Mr. HAYNES said that his intercourse with the House would forbid the suspicion that he could intend any disrespect towards it. But, lest such an inference might be drawn from the remark he was about to make, he utterly and entirely disclaimed any such intention. He said that the course of our discussion looked like we were addressing a pettit jury, or playing at the game common among boys, when he was a boy, of seeing who of us could get the last tag.

The question was then taken on the motion to commit, and decided in the negative: Yeas 64, nays 149, as follows:

YEAS—Messrs. Adams, Alexander, H. Allen, J. W. Allen, Aycrigg, Bell, Biddle, Bond, Borden, W. B. Calhoun, Cambreleng, W. B. Campbell, W. B. Carter, Chambers, Cheatham, Corwin, Cranston, Crockett, Curtis, Darlington, Davies, Deberry, Dunn, Ewing, Goode, W. Graham, Graves, Halsted, Harlan, Harper, Hawes, Henry, Herod, Henry Johnson, W. C. Johnson, Mallory, Samson Mason, Maury, Maxwell, Menefee, Milligan, C. Morris, Naylor, Ogle, Phillips, Pope, Randolph, Ridgway, Rumsey, Russell, Sergeant, Slade, Southgate, Stanly, Stratton, Taliaferro, Tillinghast, Toland, Underwood, A. S. White, J. White, E Whittlesey, J. L. Williams, C. H. Williams, York—65.

NAYS—Messrs. Anderson, Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Bouldin, Briggs, Brodhead, Bronson, Bruyn, Buchanan, J. Calhoon, T. J. Carter, Casey, Chaney, Chapman, Cilley, Claiborne, Clark, Cleveland, Clowney, Coles, Connor, Craig, Cushman, Dawson, Davee, DeGraff, Dromgoole, Duncan, Edwards, Elmore, Evans, Everett, Farrington, Fairfield, R. Fletcher, Foster, Fry, Gallup, Rice Garland, Gholson, Glascock, James Graham, Grantland, Grant, Gray, Grennell, Griffin, Haley, Hammond, Hamer, Harrison, Hastings, Hawkins, Haynes, Holsey, Holt, Howard, Hubley, W. H. Hunter, Robert M. T. Hunter, Ingham, T. B. Jackson, Jabez Jackson, J. Johnson, N. Jones, J. W. Jones, Kemble, Kilgore, Klingensmith, Legare, Leadbetter, Lewis, Lincoln, Logan, A. Loomis, A. W. Loomis, Lyon, Marvin, J. M. Mason, Martin, McKay, R. McClellan, A. McClellan, McClure, McKim, McKennan, Miller, Montgomery, Moore, Morgan, M. Morris, S. W. Morris, Muhlenberg, Murray, Noble, Noyes, Owens, Palmer, Parker, Parmenter, Patterson, Paynter, Pennybacker, Petrikin, Phelps, Pickens, Plumer, Potts, Potter, Pratt, Prentiss, Reed, Reily, Rencher, Rhett, Richardson, Rives, Robertson, Sawyer, Sheffer, A. H. Shepperd, C. Shepard, Shields, Sheplor, Smith, Snyder, Spencer, Stewart, Taylor, Thomas, Thompson, Titus, Towns, Turney, Vail, Vanderveer, Wagener, Webster, Weeks, L. Williams, S. Williams, J. W. Williams, Worthington, Yell—148.

Mr. TOLAND then moved that the House adjourn. Lost.

Mr. PHILLIPS then moved to commit the bill to the Committee of the Whole on the state of the Union, with instructions "to strike out all after the enacting clause, and insert a provision for issuing Treasury notes, payable with interest at the rate of five per cent. per annum, on the first day of January, 1839, to an amount equal to such proportion of the fourth instalment as cannot be paid in drafts payable in specie, or in such drafts as may be accepted by the States upon the deposite banks."

Mr. EVERETT called for the yeas and nays, but the House refused to order them, and the motion was lost.

The amendment of Mr. HAYNES was disagreed to without a division.

Mr. HARLAN then moved to amend the amendment, by adding thereto "that the public faith is hereby pledged that no further or other postponement of the fourth instalment of deposite with the States shall take place," which was disagreed to.

The question was then taken on the amendment of Mr. PICKENS, and decided in the affirmative: Yeas 130, nays 99, as follows:

YEAS—Messrs. Heman Allen, John W. Allen, Anderson, Andrews, Atherton, Beatty, Bicknell, Borden, Briggs, Bronson, Bruyn, Buchanan, William B. Calhoun, John Calhoon, Cambreleng, William B. Campbell, John Campbell, Timothy J. Carter, William B. Carter, Casey, Chaney, Cheatham, Cilley, Claiborne, Clark, Cleveland, Clowney, Connor, Corwin, Craig, Crockett, Cushman, Davee, Deberry, DeGraff, Duncan, Elmore, Fairfield, Foster, Gallup, Rice Garland, Gholson, Glascock, Grantland, Grant, Gray, Griffin, Hall, Hammond, Hamer, Hastings, Hawkins, Henry, Herod, Holsey, Howard, Robert M. T. Hunter, Ingham, Jabez Jackson, Jenifer, Henry Johnson, Joseph Johnson, Nathaniel Jones, John W. Jones, Kilgore, Legare, Leadbetter, Lewis, Logan, Andrew W. Loomis, Lyon, Martin, Maury, Maxwell, Robert McClellan, McClure, McKim, Menefee, Montgomery, Morgan, Mathias Morris, Samuel W. Morris, Murray, Naylor, Noble, Owens, Palmer, Parker, Parmenter, Petrikin, Phelps, Pickens, Plumer, Pope, Potts, Potter, Pratt, Prentiss, Rariden, Randolph, Rhett, Richardson, Ridgway, Rumsey, Russell, Sawyer, Sergeant, Sheffer, Augustine H. Shepperd, Charles Shepard, Sheplor, Slade, Smith, Spencer, Taylor, Thomas, Thompson, Titus, Towns, Vail, Vanderveer, Wagener, Webster, Weeks, Albert S. White, Elisha Whittlesey, Thomas T. Whittlesey, Sherrod Williams, Worthington Yell—130.

NAYS—Messrs. Adams, Aycrigg, Beirne, Bell, Biddle, Birdsall, Bond, Bouldin, Brodhead, Chambers, Chapman, Childs, Coles, Crary, Cranston, Curtis, Cushing, Darlington, Dawson, Davies, Dennis, Dromgoole, Dunn, Edwards, Evans, Everett, Ewing, Farrington, Fletcher, Fillmore, Fry, Goode, James Graham, William Graham, Graves, Grennell, Haley, Halsted, Harlan, Harrison, Harper, Hawes, Haynes, Hoffman, Holt, Hubley, Wm. H. Hunter, Thomas B. Jackson, William Cost Johnson, Kemble, Klingensmith, Lincoln, Alphaxed Loomis, Mallory, Marvin, James M. Mason, Samson Mason, McKay, A. McClellan, McKennan, Mercer, Milligan, Miller, Moore, Calvary Morris, Muhlenberg, Noyes, Ogle, Patterson, Paynter, Pearce, Peck, Pennybacker, Phillips, Reed, Reily, Rencher, Rives, Robertson, Shields, Sibley, Snyder, Southgate, Stanly, Stuart, Stratton, Taliaferro, Tillinghast, Toland, Toucey, Turney, Underwood, John White, Lewis Williams, Jared W. Williams, Joseph L. Williams, Christopher H. Williams, Wise, Yorke—99.

Mr. MASON, of Virginia, then submitted the amendment which he had submitted in Committee of the Whole, the effect of which was a repeal of the deposite law of 1836, so far as related to the fourth instalment to be paid under that act; and addressed the House briefly in support of the amendment.

Mr. M. called for the yeas and nays on the adoption of his amendment, which were ordered.

After some remarks by Mr. REED,

Mr. ROBERTSON moved to commit the bill to a Committee of the Whole, with certain instructions, which he sent to the Chair, and called for the yeas and nays; but the House refused to order them.

Mr. PETRIKIN then moved the previous question; but it was not seconded by the House.

After some remarks by Mr. EWING, the motion to commit was disagreed to without a division.

Mr. TURNEY then moved to amend the proviso to the bill, by striking out the words "until further provision by law," and inserting "until the 1st of January, 1839."

After some remarks by Mr. McKAY,

Mr. HAYNES said that it would afford him the greatest pleasure to vote for the amendment proposed by the hon-

orable gentleman from Virginia, [Mr. MASON,] and show thereby that he sustained the principles of his native State, but for the conviction that there was but one mode of closing this debate. He moved the previous question, which was seconded by the House, ayes 117, noes not counted; and the main question was ordered to be put.

Mr. REED called for the yeas and nays on the main question, (which was on ordering the bill to a third reading,) which were ordered, and were: Yeas 118, nays 106, as follows:

YEAS—Messrs. Anderson, Andrews, Atherton, Beatty, Beirne, Bicknell, Birdsall, Borden, Brodhead, Bronson, Bruyn, Buchanan, Cambreleng, J. Campbell, T. J. Carter, Chaney, Chapman, Cilley, Claiborne, Clark, Cleveland, Clowney, Coles, Conner, Craig, Cushman, Davee, DeGraff, Dromgoole, Duncan, Edwards, Elmore, Farrington, Fairfield, Foster, Fry, Gallup, Gholson, Glascock, Grantland, Grant, Gray, Griffin, Haley, Hammond, Hamer, Harrison, Hawkins, Haynes, Holsey, Holt, Howard, Hubley, W. H. Hunter, R. M. T. Hunter, Ingham, T. B. Jackson, J. Jackson, J. Johnson, N. Jones, J. W. Jones, Kemble, Kilgore, Klingensmith, Legare, Leadbetter, Logan, A. Loomis, Lyon, J. M. Mason, Martin, McKay, R. McClellan, A. McClellan, McClure, McKim, Miller, Montgomery, Moore, Morgan, S. W. Morris, Muhlenberg, Murray, Noble, Owens, Parker, Parmenter, Paynter, Pennybacker, Petrikin, Phelps, Pickens, Plumer, Potter, Pratt, Prentiss, Reily, Rhett, Richardson, Sawyer, Sheffer, Sheplor, Spencer, Stewart, Taylor, Thomas, Titus, Toucey, Towns, Vail, Vanderveer, Wagener, Webster, Weeks, T. T. Whittlesey, J. W. Williams, Worthington, and Yell—118.

NAYS—Messrs. Adams, Alexander, H. Allen, J. W. Allen, Aycrigg, Bell, Biddle, Bond, Bouldin, Briggs. W. B. Calhoun, J. Calhoon, W. B. Campbell, W. B. Carter, Casey, Chambers, Cheatham, Childs, Corwin, Crary, Cranston, Crockett, Curtis, Cushing, Darlington, Dawson, Davies, Deberry, Dennis, Dunn, Evans, Everett, Ewing, R. Fletcher, Fillmore, Goode, J. Graham, W. Graham, Graves, Grennell, Hall, Halsted, Harlan, Harper, Hastings, Hawes, Henry, Herod, Hoffman, Jenifer, H. Johnson, W. C. Johnson, Lincoln, A. W. Loomis, Mallory, Marvin, S. Mason, Maxwell, McKennan, Menefee, Mercer, Milligan, M. Morris, C. Morris, Naylor, Noyes, Ogle, Patterson, Pearce, Peck, Phillips, Pope, Potts, Rariden, Reed, Rencher, Ridgway, Rives, Robertson, Rumsey, Russell, Sergeant, A. H. Shepperd, C. Shepard, Shields, Sibley, Slade, Smith, Snyder, Southgate, Stanly, Stratton, Taliaferro, Thompson, Tillinghast, Toland, Underwood, A. S. White, J. White, E. Whittlesey, L. Williams, S. Williams, J. L. Williams, C. H. Williams, Wise, and Yorke—106.

So the bill was ordered to a third reading at this time.

The bill being read a third time,

Mr. RICE GARLAND moved to postpone the further consideration of the bill until Tuesday next.

Mr. G. advocated his motion on the ground that he did not wish the deposite banks in his State to be left at the mercy of the Secretary of the Treasury, and he therefore wished to defer the postponement bill till the bill to settle with the deposite banks was acted on.

Mr. CAMBRELENG said, for himself, he was disposed to deal as generously with those banks as circumstances would admit; for, though no friend to the banks, yet he was willing to afford them every indulgence, for the sake of the people who were indebted to them.

Mr. DAWSON, and Mr. MASON of Ohio, designated this as a bargain between the two gentlemen, and made some strictures thereon.

Mr. GHOLSON said he was in favor of this motion. Sir, I have been the friend of this bill at every and all stages of its progress. I have been here for the last twenty-two days, giving my aid to this bill; but, sir, now that the struggle is over, I, as one of the friends of this bill, and as one of the representatives of the State of Mississippi, in which is one of the deposite banks, having a large amount of public money, about which so much has been said during the progress of this debate by gentlemen on this floor, think it impolitic to permit this bill to pass out of our reach until we have had the action of this House on the bill to regulate the settlement of the Government with the deposite banks. Sir, as much as the interest I have felt for the passage of this bill has been, I feel more interest in the protection of the deposite banks, for the obvious reason that, by the protection of the banks, I protect those indebted to the banks.

Mr. Speaker, the gentleman from Ohio [Mr. BOND] appears to be willing, as usual, to make the chairman of the Committee of Ways and Means [Mr. CAMBRELENG] the scapegoat, and on his head to place the sins of all of us. He says that the chairman of the Committee of Ways and Means is willing to grant indulgence to those banks, because they are located in the States favorable to this administration, and intimates that this is bargaining contrary to the course that should be pursued here. Sir, I wish, once for all, to inform that gentleman, and all others, that I stand here ready prepared to bargain, whenever I can do so honorably, and by that means promote the interest of my constituents. Sir, that gentleman cries out against the chairman of the Committee of Ways and Means, and the friends of this administration, because he says we say we care nothing for the banks, but feel great interest for the people. Now, I presume that there is nothing inconsistent with the principles of honorable legislation in this. I am one of those that feel but little for these banks, in their corporate capacity; but I feel a great disposition to grant them as long indulgence as may be, for the reason that, by so doing, I extend indulgence to the people, who are the debtors of these banks. Now we have in Mississippi, in the deposite banks, about $1,767,000 of deposites; I know, sir, although our banks cannot at this time redeem their circulation in specie, yet, sir, the banks in Mississippi are as solvent as any banks in the Union having on hand a like sum of money as deposites. Now, sir, much has been said about relief. Again and again have we heard that nothing is proposed by the friends of this administration for the relief of the people. Now, so far as I can understand what is meant by relief, any measure that will relieve the banks will relieve the people. Sir, we of Mississippi owe a large debt, but we have the means of paying a larger debt than any people in the United States; but we can only pay once in the year; we can only pay when we receive the annual returns of our cotton crops. And I have no doubt but we can, if we are indulged until we can realize the proceeds of another cotton crop, in addition to the one we are now gathering, pay our debts. Now, sir, by the bill on your table from the Senate, in relation to the settlement with these banks, they propose to grant us the relief of four, six, and nine months, upon our complying with certain conditions. Now, this is such relief as we do not want. We do not want less than twelve months; and unless we can obtain this much time, much as we have suffered and are suffering, we prefer that the Government should commence its suit against us; for it is impossible for us to comply with these conditions. Now, sir, it is something remarkable to me that, at the same time that it is proposed to give us this four, six, and nine months' relief, the same body proposes to give the merchants indulgence of twelve months on their bonds. Now, sir, we are the debtors of the Government as well as they, and should have the same indulgence extended to us.

Mr. Speaker, the gentleman from South Carolina [Mr. THOMPSON] says it is not the intention of this administration to collect this money. He says this money is to be

kept in the doubtful States, Alabama, Mississippi, and Louisiana, for the purpose of corrupting the people, and bringing them over to this administration. Now, sir, that gentleman would take it as extremely unkind if it were to be said that the people that he represents could be thus corrupted. He should recollect, then, that I know the people of Mississippi too well not to know that they cannot be corrupted in this way; and I will give the gentleman an undoubted reason for this; and that is, that these banks, controlling this immense sum of money, have been at all times, and still are, opposed to the party in power in Mississippi. Then, sir, if this money could have corrupted them, or bought them up, would not this have been already effected? Have we not already passed through as great pecuniary embarrassments as we are likely to have to contend with? Mr. Speaker, it is now eleven o'clock, p. m., and I am unwilling to detain the House longer. Entertaining these views, I believe I should be recreant to my constituents to let this bill pass out of the reach of this House, until the action of this House can be had upon the other bill. Let me ask this House to remember, that this money was received by the banks, for the Government, in paper; that paper has since depreciated, and we are now to pay this money to the Government, when we do pay it, in specie. Now, sir, if gentlemen are not disposed to give us reasonable relief, let them order a suit; let them collect this if they can. This I know cannot be done, for we cannot pay this money until the debtors of the banks can have time to pay their debts. It is then with a view to favor the people who are the debtors of these banks, particularly, that I have sustained this motion, and for the further reason, that if the Government relieves any of its debtors, it should relieve them equally.

The motion to postpone was then disagreed to: Ayes 74, nays 97.

Mr. CHAMBERS, after addressing some remarks to the House, moved an adjournment. Lost.

Mr. McKIM then moved the previous question, which was seconded; and the main question having been ordered, the bill was read a third time, and passed.

The House then adjourned at 11 o'clock, P. M.

SATURDAY, SEPT. 30.

TREASURY NOTES.

Mr. TOLAND, by leave, called up the following resolution offered by him yesterday, in the following words:

Resolved, That the Secretary of the Treasury be directed to communicate to this House copies of all official correspondence between the Department and all individuals, banks, or other corporations, relative to a bill now before Congress, to authorize the President of the United States to cause the issue of Treasury notes, and relative to the disposition of such notes; together with copies of all documents or papers on file in the Department relative thereto.

Mr. HAMER moved to amend it by striking out the words "all individuals." He was opposed to calling for the correspondence of private individuals all over the Union, if such there should have been.

Mr. GRENNELL objected to taking up the resolution, but the CHAIR pronounced the objection to be too late, as the House had unanimously given leave.

Mr. TOLAND said, in explanation and vindication of his resolution, that he had no desire whatever to expose the correspondence of private gentlemen; but when such correspondence had relation to matters of a public character, when it was in reply to printed interrogatories, published to the world, it lost its character of privacy, and became, in reality, public in its nature. It was contrary to the genius of our institutions, that Government should keep up any private correspondence with the People which it was unwilling to disclose. The information he had asked for was important, as it touched the question whether Treasury notes were likely, if issued, to have a free circulation, and whether it would not be better to meet the wants of the Treasury by a loan. It also had a bearing on the question whether such notes, if issued, should bear interest or not.

Mr. WHITTLESEY suggested to the mover to insert before the word "correspondence" the word "official."

Mr. TOLAND cheerfully accepted the modification; whereupon,

Mr. HAMER said this removed his objection to the resolution entirely.

It was then agreed to.

NATIONAL BANK.

The House next proceeded to the consideration of the resolution reported from the Committee of Ways and Means, that it is inexpedient to establish a national bank; when,

Mr. SERGEANT resumed the course of his remarks in opposition to the resolution, and continued them till the expiration of the morning hour. [Mr. S's remarks are given heretofore, in connexion with those of September 26, ante.]

Mr. ROBERTSON, on leave, offered an amendment to the amendment to this effect: to insert after the words "at this time," the following: "nor ought such an institution to be chartered at any time hereafter, unless an amendment to the constitution shall expressly delegate to Congress the power so to do."

TREASURY NOTE BILL.

The House then passed to the Orders of the day, and went into Committee of the Whole on the state of the Union, (Mr. CONNOR, in the chair;) when, on motion of Mr. CAMBRELENG, the Committee took up the bill from the Senate authorizing the issue of Treasury notes.

Mr. BELL said he had been waiting for some who, he understood, were prepared to contest the constitutional right of the Senate to send to the House a bill of this description. It was a money bill: and, by the constitution, all such bills must originate in the House. The proper course would be, first to take a vote on that question. If his friend from Massachusetts was desirous of addressing the House on that question, Mr. B. would not now proceed with any remarks on the bill.

Mr. ADAMS said that in his own opinion the matter admitted of no question at all. If ever there was a money bill, this was one. But he should make no motion, because he knew perfectly well if he did, the previous question would be called, and the motion voted down. If, however, the gentleman from Tennessee [Mr. BELL] was disposed to go into the discussion, he should have Mr. A's most cordial support. This House had too long suffered the other branch of the Legislature to dictate to it every measure relating to revenue. For the last five years not one of all the measures of that character had originated in that House.

Mr. HAYNES said it was now too late to raise an objection of this kind: the House had received the bill, and referred it; and it had been reported on. If such an objection did exist, this was not the place to make it.

Mr. WISE was astonished to hear such language from the gentleman from Georgia. Did not that gentleman know that at every step, in any, even the last stage of a bill, when it had received its third reading, if the House discovered a constitutional objection to lie against its passage, it was never too late to bring it forward? It never could be too late for the House to receive an objection to doing that which it had no power to do. It never could waive a constitutional objection on the ground of laches. He moved that the committee rise, and report that a bill like this could not constitutionally originate in the Senate. Thus, in the House, that report might be adopted, and

the bill sent back to the Senate, with a message declaring that the House could not act upon the bill.

Mr. CAMBRELENG hoped the committee would not rise. This bill did not propose the levying of a tax; it was a mere anticipation of the receipt of revenue. The compromise act of 1833 had been sent from the Senate (when that body was differently constituted in a political point of view) to the House, although it proposed an increase of taxes, in some cases amounting to 45 per cent. The present bill created no public debt; it merely anticipated means which were ample. Congress had been convened to meet an emergency; and it had so happened that the Senate's Committee on Finance had been constituted four days sooner than that of the House, and hence the Senate's bill had come earlier than that of the House. No constitutional objection had been urged in the Senate; but here, at this late hour, a constitutional question was to be raised and discussed, when the House had arrived at the 1st day of October, and the Treasury was in such a condition that the specie could not be obtained for a little draft of $811. He hoped the House would proceed with the bill.

Mr. MERCER was astonished at the position taken by the chairman of the Committee of Ways and Means. It was not a fact that the compromise bill had originated in the Senate; it had originated in this House.

Mr. CAMBRELENG said, to avoid all difficulty, he would move to pass by the Senate's bill and take up that of the House.

Mr. ROBERTSON contended that the House could not thus pass over the greatest breach of its privileges which had ever been perpetrated. He could not understand how the gentleman could be so insensible to the indignity thus cast on the House. Should they continue to take bills, raising millions on millions, at the dictation of the Senate or the President, when the constitution plainly forbade it?

A dispute on order now arose, attended for a time with some confusion; but it issued in taking up the House bill, as moved by Mr. CAMBRELENG.

Mr. CAMBRELENG then submitted a statement of the assets and liabilities of the Treasury, as follows:

Estimate of the state of the Treasury, and of its outstanding resources and liabilities on the 1st of January, 1838, excluding the amount deposited with the States, and assuming that ten millions of Treasury notes will have been issued, and that all the custom-house bonds and claims upon the banks be postponed till next year.

Estimated to be in the Treasury on the 1st of October—		
In money - - -	$1,000,000	
In the mint - - -	500,000	
		1,500,000
Estimated receipts in the last quarter—		
From lands and customs - -		2,000,000
From Treasury notes - - -		10,000,000
		$13,500,000
Expenditures in the last quarter, including new appropriations made at the present session for the Florida war, the expenses of the session, the payment of debentures, &c. - -		10,500,000
		$3,000,000
Outstanding resources—		
Probable amount which will remain unpaid by the banks, and payable in 1838 - -	7,000,000	
Custom-house bonds payable in 1838 - - -	6,000,000	
Bonds in suit - - -	1,000,000	
Bonds due from the sufferers by the fire in New York, payable in 1839, 1840, and 1841 -	1,000,000	
Instalments due from the Bank of the United States in 1838, 1839, and 1840, exclusive of interest - - -	6,000,000	
		21,000,000
		$24,000,000
Liabilities—		
Outstanding appropriations, deducting the amount which may probably be curtailed -	12,000,000	
Treasury notes - -	10,000,000	
		$22,000,000

Mr. CAMBRELENG alluded to the fact, that there were seven or eight millions of outstanding appropriations at the end of every year, which might be considered permanently outstanding. It would thus appear that our money and resources probably amount to twenty-four millions and a half. We were not called upon to authorize a loan or to create a public debt. There was no occasion for a stock, however desirable it might be for investment or for remittance to Europe. All that was now proposed, was to anticipate our actual resources by an issue of Treasury notes. The material question was, whether the notes should bear interest or not. In the present extraordinary condition of the country, he should think notes without interest an important auxiliary to aid in the collection of the revenue, and in relieving our internal circulation. He believed it quite as important to adjust the balance between the southwestern and northwestern portions of the country, as it was to pay off our foreign debt. If there was a current revenue coming into the Treasury, such an issue might be safely made and sustained in circulation, and would not, like the small notes issued in 1815, interfere with the currency. Gentlemen denounced notes of this description as paper money: they perform the office of exchange, and not of currency, and at the same time were convenient for making payments into the Treasury, and for our public expenditures. The currency of France, with her four hundred and fifty millions of gold and silver, had not been disturbed by the issues by the Bank of France of notes of about a similar denomination. The demands of commerce alone will not, however, sustain Treasury notes, without interest, in circulation. We must also be in receipt of a current revenue. Since the extension of time to the merchants and the banks, all the payments into the Treasury were thrown into the next year, and for some months very little would be coming into the Treasury. Under such circumstances, there was reason to fear that the notes would be depreciated. He had, therefore, adopted the principle of the Senate's bill, allowing an interest. He was not in favor of issuing Treasury notes now, or at any time, whether with or without interest; but, although our resources are ample, we are compelled to anticipate them, in order to give indulgence to the debtors of Government. In relieving them, and giving means to the Treasury, it is fortunate that we can afford to the southwest a medium of remittance, and, at the same time, aid the merchants on the Atlantic to pay off their foreign debt. It was the prospect of this issue of ten millions of Treasury notes which had already considerably reduced the price of specie. Mr. C. then moved an amendment to the bill, by proposing substantially the provisions of the Senate's bill, authorizing an issue of Treasury notes, bearing interest not exceeding six per cent.

Mr. RHETT addressed the Chair as follows:

Mr. Chairman: I shall follow the suggestion made by

the chairman of the Committee of Ways and Means, and consider all the bills upon your table as constituting one system, although contained in different bills. To the bill authorizing the Treasurer to issue Treasury notes, I shall propose, as amendments, that these notes shall bear no interest; and that the Secretary be authorized to issue another kind of paper—bills receivable in payment of the public dues. When the bill regulating the depositories of the public money shall come up for consideration, I shall also move the amendment I send to the Chair, providing for a gradual dissolution of all connexion between the Government and the banks; dispensing entirely, in the course of three years, with the use or reception of their paper; and using them only for the safe keeping of the public money by special deposites. By these amendments, the Government will have the option of issuing either Treasury notes bearing no interest, or bills receivable in payment of the public dues; the Government will be separated from the banks—the public moneys be kept in the banks on special deposite—and the revenue be collected either in Government paper or specie. There is but one other alternative before the committee to this system in this shape, or by other modifications, and that is the project of the gentleman from Virginia, [Mr. Garland,] to reunite the Government to the State banks—receive their paper in payment of the public dues—and make them, as heretofore, the general depositories of the money of the country. These are the two projects for consideration.

If, sir, we are to have Treasury notes, I prefer that they should not bear interest. In issuing these notes, it is not our object simply to raise money, or to pay debts; but, in the paralytic state of the country, we want a medium in which the revenues of the country can be easily collected, and domestic exchanges be carried on without embarrassment to the banks. If these notes bear interest, their circulation will be impeded, if not stopped entirely; they will be retained on hand as investments. Nor, sir, do I think the objection that if they do not bear interest they will fall below par, is well founded. Although they cannot be employed like specie in paying debts abroad, they will answer a function which specie cannot perform in carrying on the exchanges of the country. This peculiarity of usefulness, in the present situation of the country, will more than counterbalance any other advantages which either bank notes or specie may possess over them, as a medium of circulation.

But, sir, I prefer, to Treasury notes in any shape, the medium I propose—bills receivable in payment of the public dues. A Treasury note is a promise to pay, for the redemption of which specie must be collected and reserved. A bill receivable in payment of the public dues, is merely a promise to receive, and has its promise fulfilled when received; the one requires the abstraction of a large amount of specie from circulation—the other not only abstracts no specie from circulation, but will actually be equivalent to an additional supply of specie to the amount of the issue. The one may bring the Government in collision with the banks in the delicate position in which they will be placed when they resume specie payments—the other will give the Government the means of collecting its revenue without entrenching in the least upon the resources of the banks. The one is intended as a temporary expedient: it is a debt, and the debt must soon be paid; the other is merely an instrument of collection, and can be kept out forever, and be expanded or contracted as the wants of the country for the purposes of exchange and collection may require. For these reasons, I prefer, to Treasury notes, bills receivable in payment of the public dues.

But, Mr. Chairman, the same objection will be urged to this kind of paper, which has been urged against Treasury notes not bearing interest—they will fall below par. Their appreciation or depreciation will entirely depend upon the great principle of supply and demand. If there are more bills in circulation than are needed for the purposes of exchange and the collection of the revenue, they will depreciate; if less, they will rise in value. This kind of paper is not an untried experiment, and new in the history of finance. It has been tried and used with success in far worse times, and by far feebler Governments than our own. The very first paper money issued in America was of this kind. Upon the failure of the first expedition against Canada, in 1690, the Province of Massachusetts laid a tax upon the people to meet the expenses; but, as the soldiers were impatient, and would not wait until the tax could be collected, the Government issued notes "which were to be received for payment of the tax and all other payments in the Treasury." Before the time when the taxes were to be collected, the notes of course depreciated, because there was no demand for them; but, "as the time of payment of the tax approached, the credit of the notes was raised, and, the Government allowing five per cent. to those who paid their taxes in notes, they became better than money. The Government, encouraged by the restoration of credit to the bills, afterwards issued others in charges of the Government. They obtained good credit at the time of their being issued. The charges of Government were paid in this manner from year to year. Whilst the sum was small, silver continued the measure, and bills continued their value."* Thus, for twenty years in Massachusetts, until the year 1711, the revenue of the Province was collected in bills receivable in payment of the public dues, which maintained an equal value with specie. In this year, to defray the expenses of a second expedition to Canada, these notes were greatly multiplied; of course they fell immediately below par, and went on depreciating with every additional issue; because the supply exceeded the demand. More notes were put into circulation than were needed for the collection of the revenue, and for payments to the Treasury. Another instance of the effects of receivability in payment of the public dues, may be seen in the continental money issued by the Confederation in our revolutionary war; for the coercive enactments were futile in sustaining the paper. So long as the issue was moderate, it sustained its par value with gold and silver. Mr. Jefferson and Mr. Payne testify, that until the issue exceeded nine millions of dollars, there was no depreciation; and when forty-six millions were issued, the depreciation was but one per cent.; but, when it reached three hundred and fifty-seven millions, in the midst of a Revolution, of course the depreciation became several hundred per cent.; and this depreciation would have taken place, (although not to the same, yet to an enermous extent,) if the issue had been gold and silver, instead of paper money. Three hundred and fifty-seven millions of specie was probably forty times as much specie as was then used in the country for the circulation of the products of its labor. The effect of such an addition to the circulation, would be, to make forty dollars buy what one purchased before. Although, in relation to each other, the products of labor would remain the same in value—as money became cheaper, every thing would nominally rise in value. The great error of our fathers was, in supposing that money, of any kind, could be multiplied indefinitely, without any regard to the great principles of supply and demand. "Do you think, gentlemen, said a member of Congress, that I will consent to load my constituents with taxes when we can send to our printer and get a wagon load of money, one quire of which will pay for the whole?" Had they proportioned their issues to the amount of taxes to be raised, or limited them to the wants of the circulation, the continental currency would never have materially depreciated. But their situation was a peculiar one. The confederacy could not effect loans; and by the articles of confederation they could

* Hutchinson's History of Massachusetts, vol. 1, page 402.

not tax the people directly. Their only expedients for carrying on the war were fighting and paper money, and they freely used both. Great Britain, also, after the suspension of specie payments by the Bank of England, from 1797 to 1823, exhibits another strong instance of the effect of receivability in payment of the public dues, to sustain a paper issue; the notes of the Bank of England, during this period, were but little more than Government bills receivable in payment of the public dues. The whole capital of the bank, of £14,000,000, had been borrowed by the Government, and the bank had stopped paying specie for its notes. The notes, therefore, had neither bank capital nor specie to support them. The faith of the Government, and their receivability in payment of the public dues, constituted almost their only title to credit; and, for twenty-seven years, this currency sustained that great people through a war for existence, with half of Europe subsidized in the contest; whilst her commerce and her power advanced hand in hand to its present mighty consummation. All these instances are of past times. But we have before us now, in the Treasury drafts lately issued by the Secretary of the Treasury, a strong exemplification of the effect of receivability in payment of the dues to the Government, in sustaining a paper issue. These drafts are drawn upon the deposite banks who have stopped paying specie; they have been presented and protested, but, being due by the Government, they are of course receivable in payment of debts to the Government. Very few of them have been returned to the Treasury, because they are needed for the purposes of exchange, and are now three per cent. above the best bank paper in value, and but two per cent. below specie. They have thus the reproach, it is true, of being below par, that is, below the value of specie. But I doubt if this language is correct when applied to the subject. Specie is no longer a portion of the currency. It is a commodity for barter, like flour or tobacco, and ought not to be considered, rather than any other commodity, as a standard of value for the currency. If it constituted a portion of the currency of the country, these drafts, unless multiplied beyond the demand, would undoubtedly be of equal value with specie, because they are needed for an operation which specie cannot perform—to conduct the exchanges of the country. But, sir, admit that these drafts are below par, and that the bills I propose to issue will likewise be below par, where is the injury? The only effect will be a mitigation of the tariff, and a proportionate relief to the people. The importer will pay less duty, by this depreciated paper, to the Government, and will charge less to the consumer. The Government will only not collect what it does not want, and what, in strict justice, it ought not to require. The worse evil, then, under the paper issue I propose, will thus be a benefit.

Mr. Chairman, there is another aspect in which the paper I propose to be issued by the Treasury should be viewed, in relation to the exchanges of the country. I mean its bearing upon the project of a United States Bank. The great purpose for which such an institution is needed is to equalize exchanges—to afford a general medium of circulation by which debts can be paid, and money transmitted from one quarter of the Union to another, without great loss and expense. The local banks, if we are to judge from the past, cannot, or will not, furnish such a circulation. The inconvenience and loss, for want of such a medium, are unquestionably great; and I do not think will be long endured. In countries like England, or even France, where the capital of ages has been accumulated, and the facilities of intercourse actually bring the remotest parts of the country almost into contact, the business of exchanges may well be carried on without the aid or intervention of Government or banks. But, in a country like ours, young in the accumulation of capital, and covering such an immense space of territory, it may well be doubted, if one or the other of these instruments will not be necessary to place the exchanges of the country upon an easy and proper footing. By issuing bills receivable in payment of the public dues, I believe a medium will exist, which may be made available in the hands of individuals for all the purposes of exchange, and which will entirely supersede the necessity of a Bank of the United States. To those who believe that such an institution will be unconstitutional, ruinous to the State banks in the process of bringing it into operation, and dangerous to the liberties of the country, when established, this view ought not to be without weight. Here is a safe, constitutional, harmless, self-correcting medium, by which the dues to the Government may be collected; the State banks left free to resume specie payments, with all their resources untouched by the Government; and the great purpose of a United States Bank supplied. You will also perceive that, by this system, all the objections which have hitherto been urged to a Treasury organization, by which the Government is separated from the banks, and its own dues collected, will fall to the ground. It is practicable, beyond doubt, if experience is any test; it is safe, if banks, where the funds may be specially deposited, are safe; it is cheap, for a multiplication of officers, and chests, and vaults, will be unnecessary. Its currency will be that of the people, just that which they most require, consisting of paper and the precious metals, either payable into the Treasury, as the public debtor shall prefer. All the imputations of a design, by this system, of bringing the whole country down to a hard-money currency, (an attempt as wicked as it would be impracticable,) and of destroying the local banks, are rendered pointless.

Let us now turn, Mr. Chairman, to the alternative scheme before the committee—that submitted by the gentleman from Virginia—the exploded pet bank project. Time, sir, has set its mark upon this system. The Government has twice tried it, and it has twice failed. Indeed, so gross and indisputable was its failure in 1816, that the constitutionality of the United States Bank, then chartered, was based upon the fact, that the State banks were incapable of carrying on the fiscal operations of the Government; and when, in 1833, the experiment was again adopted, its failure was predicted, and the prediction has been realized. And how, sir, can it be otherwise, under such a system? Eight hundred banks, scattered over twenty-six sovereign States, who may indefinitely multiply them—irresponsible to the Government—irresponsible to each other—having but one principle of conduct, gain—how can stability and safety for the Government, in connexion with such institutions, in any trying emergency, be expected? And look at their situation now. In New York, the banks have six and a half paper dollars out in circulation to one in specie in their vaults. The banks of Alabama, nine to one; Boston, six to one; Pennsylvania, six to one; Virginia, five to one: and, in this situation, with public confidence shattered, they are yet to go through that difficult process (which, in England, in 1823, prostrated hundreds of banks) of resuming specie payments. Many of these banks must break in the effort to resume specie payments; and, should their paper be received in payments to the Government, or they be used as depositories of the public funds, loss will be inevitable to the Government. Now, what is the constitutional principle upon which alone the Government can connect itself with these institutions? It is the same upon which the United States Bank, in 1816, was established: that they are "necessary and proper" for the collection of the revenue and the fiscal operations of the Government. But, will it be contended, can it be seriously argued, that the State banks, in their present situation, (throwing aside all past experience of their incompetency,) are "necessary and proper" instruments for the collection of the public revenue? But it is said that the

Government should support the banks even at the hazard of the revenue; because the banks are the people, and the Government, in separating itself from the banks, separates itself from the people. Is this the fact? Are the banks the people? They are corporations established in the different States, composed of certain individuals who own the stock, and have put out their notes bearing no interest for the notes of individuals bearing interest. In this way, the community owes a great deal to the banks, and the banks owe a great deal to the community; but, take the aggregate of mutual indebtedness, and it constitutes, comparatively, but a small portion of the whole capital of the country. There is not one of the Southern States in which there are not ten times as much paper in the bonds and notes of individuals in existence as there are bank notes. Why should not Congress, then, undertake to legislate for the support of this whole mass of paper as well as that of the banks? Why should capital vested in bank stock be fostered by congressional legislation, and that vested in land and slaves be unprotected? Have we so soon forgotten the great constitutional principle upon which we opposed the tariff laws? It was contended that Congress had a right, incidental to the right of laying duties, to lay them in such a manner as to have for their primary object the encouragement and support of domestic manufactures. We denied the right, and insisted that Congress, under the guise of laying duties for revenue, had no right to foster any particular class or interest at the expense of the rest of the confederacy. And does not the same principle apply here? Congress has a right to lay taxes and collect the dues to the Government; but it has no right to jeopard the revenue which belongs to all the people of the Union, for the purpose of supporting a peculiar class or interest.

But, sir, are gentlemen sure that a connexion with the Government will be of any benefit to the banks in the effort to resume specie payments? In many parts of the country, in South Carolina, for instance, if there should be any benefit, it would be exceedingly small; for the whole amount collected from the customs in that State, for the last two years, does not exceed four hundred and thirteen thousand dollars a year. But where the benefits are expected to be great, so must also be the hazards. When these banks resume specie payments, their paper will not be immediately at par. Public confidence will not be won, until they have tested their ability to sustain themselves in this trying position. Until this is proved, their paper will be below par; and if receivable in payments to the Government, will, of course, be eagerly sought for to perform this function. In so doubtful a position, what will be the duty of a public receiver to whom such bank bills are paid for dues to the Government? Assuredly, to cash them in specie at the counter of the bank. If he did not do so, and the bank failed whilst he retained the notes on hand, he would be responsible. Now, will it aid the banks in the effort to resume specie payments, to be obliged to redeem immediately in specie all their notes which may be received by the collectors in payment of the public dues? Let gentlemen take heed that this connexion of the Government with the banks, so eagerly sought for, may not be as fatal to them, as the embrace of the serpent to Laocoon.

But, Mr. Chairman, there is one other objection, which, if all others failed, would be insuperable with me to any connexion of the Government with the banks—I mean the patronage it gives to the General Government. I am a nullifier, and will never consent that more power should be given to this Government than strictly belongs to it. Experience has shown, that the tendency of our federal system is to consolidation—a concentration of all power, first in the legislative, and then in the executive department of this Government. It is strong enough, without being connected with the money power of the country. When the connexion with the banks was dissolved, a few months since, there were eighty-six deposite banks, being the leading banks in every part of the Union, under the control of the Secretary of the Treasury. Now, when a bank is influenced, it is not merely the directors, officers, and stockholders, but all other banks in the same vicinity, and all who are dependent upon these banks, who may be affected. If we were heavily in debt, and large revenues were to be collected and deposited, it is impossible to imagine a better instrument in the hands of a popular and ambitious man, by which the liberties of the country may be subverted and his power perpetuated. The Treasury scheme I propose, for collecting the revenue of the country, when compared with this in the patronage to be dispensed, is absolutely insignificant. The Secretary of the Treasury supposes that it will require thirty officers more than are now employed to carry it into operation; but suppose as many officers necessary as there were pet banks, eighty-six—a man for a bank—will not the difference in patronage be immense? It cannot be doubted.

Mr. Chairman, neither in the scheme proposed by the gentleman from Virginia, nor in that which I have advocated, can I perceive any extensive relief to the country. The people unquestionably are distressed and embarrassed; but within the competency of this Government, limited in its powers, I can discover no higher or better means of assistance than those I have suggested. Those who have been accustomed to look to this Government for every thing, naturally look here in this emergency; but the remedy is in time and the people themselves. The State banks, unless hurried on by coercion or by popular clamor, will in due time resume their healthy action; and the unbroken energies of this free and mighty people will soon work out their own salvation. Upon the causes of our distressed condition, I will say a few words before I close.

The gentleman from Kentucky, [Mr. Menefee,] who sits before me, when a few days ago discussing the bill for the postponement of the fourth instalment of the surplus revenue, broadly maintained that it was Executive usurpation alone which had occasioned the calamities under which we labor. I agree with him, that the illegal seizure of the deposites by the Executive, and placing them in the deposite banks, was one of the links in the chain of causes which produced our calamities; but he overlooks the far higher and greater causes which have originated in legislative usurpations upon this floor. The Bank of the United States, unconstitutionally created, was one of these causes; and although an unquestionable benefit when its recharter was denied, yet, extending as it did, its roots into all the commercial and pecuniary interests of the country, it could not be abstracted from the immense sphere in which it moved without convulsion. Hundreds of banks sprang into existence to fill the vacancy it was expected to occasion, whilst those which were already in existence gave a loose rein to their issues. But it was the surplus revenue, for which the gentleman was contending, which most obviously shows the fallacy of his position. If the surplus revenue had not existed, Executive usurpation and corruption could not have rendered it injurious or dangerous. And what produced the surplus revenue? The tariff—the American system—that poison still lingering in the veins of the body politic—that unhallowed and corrupt combination, as unprincipled as the partition of Poland, by which one section of the Union was plundered for the benefit of another. Taxes were laid by Congress, not to support the Government or to pay our debts, but to foster the manufactures of the North at the expense of the rest of the Union; whilst the revenue, thus unconstitutionally raised, was to be expended in internal improvements in the North and West. And so enormous were these exactions that, although, by the compromise bill of 1833, not less than seventy millions have been saved to the people, in the face of the most reckless and profligate expenditure, the Treasury still over-

flowed; and on January last, there were thirty-eight millions of surplus to be deposited with the States. The State banks, where these funds were deposited, were stimulated by them to inordinate issues of their paper; and the free accommodation to individuals, which these issues afforded, fed the rage for speculation. Suddenly the deposites were called for from the banks, by the deposite law. The call met them unprepared, because they could not collect from their customers. They pressed the community, but the community, who had borrowed on the faith of an easy indulgence, were as little prepared as they were for payment. The specie circular came in also with its operation, weakening their vaults and crippling their resources. The result was, distress everywhere, a panic, and the suspension of specie payments. These certainly were not all the causes of our present embarrassment; but, were it not for the legislative usurpations of Congress, I do not believe the catastrophe under which we suffer would have been produced. And what, sir, would have been the situation of this country, if South Carolina had not nullified your tariff laws, and the compromise bill had not passed? Instead of thirty-eight millions there would have been upwards of one hundred millions of surplus revenue in the banks, under the control of that usurping and corrupt Executive the gentleman has so strongly denounced. Could the liberties of the country have survived such a state of things? Could the deposite banks ever have repaid the money? And if they could, after it had formed the basis of an immense issue of paper, who will measure the ruin the sudden abstraction of such a capital from the banks would have produced, in combination with the other causes which have prostrated the country? But the gentleman from Kentucky overlooks these immense benefits resulting from the compromise bill; and can only see, in this measure, the design "to arrest treason, and save the genius and chivalry of the South from an ignominious gallows." Sir, to know whether the gallows would have been ignominious in such a cause, it is necessary to understand it. What was it?

For ten years, from 1822, (when William Lowndes, filling the very representation I now occupy, declared upon this floor that the South was more heavily taxed than any people upon earth,) in person or through our representatives, we remonstrated against your unjust and unconstitutional oppression. Instead of relaxing, we saw your policy grow stronger by time; and, bribed by its operation, those who were once with us in denouncing it, made common cause with our old opponents in the effort to rivet it upon us forever. At length, all confidence in your justice slowly, reluctantly departed; and the melancholy and stern conviction was forced upon us that we must right ourselves—alone, must right ourselves. South Carolina met the emergency in which you placed her as it became her. She nullified your tariff laws. And did you then enforce them? No! and why? Sir, I will tell you; you dared not. It is one thing to sit here upon well stuffed hair-seated chairs, and legislate the property of the South into the pockets of more favored sections; and it is another, to collect your black-mail by the sword. And did we commit treason by this act? The gentleman from Kentucky says so, and that the compromise bill was intended to arrest it. Sir, if it was treason, it was treason hatched in Kentucky, that gentleman's native State, and practised by Virginia, when she nullified the sedition laws; and Thomas Jefferson, Madison, Rowan, Nicholas, and Macon, were some of the arch traitors who taught or committed it. Mr. Chairman, I will vindicate the fathers from the aspersion of their sons. These men were not traitors. They were those who, in 1801, in the language of Mr. Jefferson, "saved the constitution in its last gasp" from the strangling hands of consolidationists. They were not traitors; but wise and intrepid statesmen—the great fathers of the republican party, by whose sagacity and energy this union now exists. Were it not for the principles of this party, and the watchfulness and opposition of the South, this constitution would long since have been frittered away by constructions; and this Government, becoming one vast and consolidated despotism, would have left no alternative to the free but to dissolve it. We but carried out—conscientiously carried out—the great principles of the republican party; and when you thought fit, by your compromise bill, to give way before our armed resistance, the gentleman from Kentucky says, that it was "to save the genius and chivalry of the South from an ignominious gallows." Sir, we certainly should be vastly grateful for the tragic benevolence of these disinterested philanthropists, who manifested on this occasion so noble a disregard for their own safety, and such tender consideration for ours. Whilst passive, "the genius and chivalry of the South" appealed in vain to their sensibilities; but no sooner was it aroused by their selfish oppressions, than all their melting sympathies overflowed for its salvation. Sir, the gentleman has done gross injustice to himself in uttering such sentiments. They are only worthy the bigot or the slave; of a mind which can tolerate no difference of opinion, or which succumbs to any. The gentleman should have vanquished before he vaunted, and possessed himself of the mantle of success, to cover over the hideous lineaments of cowardice and oppression which marked his cause. Had South Carolina been invaded, upon the first gleam of the bayonet along our mountain passes, he would have seen and known what the chivalry of the South really was, not in bloodless tropes and metaphors, but in the stern realities of the tented field. Not only Carolinians, but thousands of volunteers from the whole South, whose names are upon the file, would have met you in that fierce contest; and if the man who lately ruled this confederacy with more than a monarch's power, and his abject followers, (more base than he, for he had personal animosities to gratify,) had not met in the gaps of the Saluda mountains another Thermopylæ—if they had penetrated to our plains, and had not found them one vast cemetery for their interment, and with fire and sword Carolina had been desolated, and not one free spirit had been left living or dying to strike for her rights—in her fall liberty would have been avenged; and, like the mighty Nazarite of old, grasping the pillars of the constitution, the Union would have perished in her ruins. Sir, this is no Government of force. No free Government is a Government of force. Fear is essentially the attribute of the slave; and the Government which appeals to this principle for support, is already a despotism. Opinion, free, intelligent public opinion, can alone perpetuate our institutions; and when this fails, all that can maintain them fails. The sword can dissolve, but it cannot cement your Union together by the blood of your citizens; and if it had been drawn against us, however mournful the consequences, we were prepared, fully, firmly prepared, to abide the issue. We knew the mighty inheritance for which we had to contend—that soil over which, for two centuries, we had been the lords; and those altars at which our fathers knelt and we had received our brides. We won it by the sword, and we were prepared to keep it by the sword; or to perish, as millions of our race had done before us, the victims of oppression and power combined. And if we had fallen in the field, or on the scaffold, (as the gentleman supposes,) would our fall have been inglorious? Sir, it is not the manner of death, but the cause which makes death infamous. When Tully thrust his head out of his litter to the lictors of Anthony who decapitated it, and his dead hands were cut off and suspended in that forum, in which they had so often pleaded for liberty and justice, was his death ignominious? Hayne perished on the scaffold—was his death inglorious? Why, in Abbeville district, there still stands the tree upon which, in our Revolution, twenty whigs were hung at one time; did these

men die ignominiously? The youth of Carolina, as they approach such memorials of their country's sanguinary wrongs, tread more lightly upon the turf, whilst their hearts swell with the mighty lesson they inspire, that to die, and to die "ignominiously," in defence of our country, is the duty and the privilege of the patriot. It is the cause which makes death glorious.

But, Mr. Chairman, shall things come to this in the administration of the affairs of this Union? In this free and enlightened age, are differences of opinion to be considered crimes; and the gibbet and the halter be held forth as the great instruments of establishing truth? If so, we had better separate at once, for the Union must be dissolved. God grant that it may long endure a blessing to the powerful people who are growing up beneath its auspices; but, should it be dissolved, history, when all the interests and passions which pervert the views of cotemporaries, shall sleep with the departed—impartial history will record, that the South was ever true to the faith which bound her to the rest of the confederacy. Although, under the mildest and most favorable operation of the constitution, she must bear an unequal portion of the burdens of the Government, at this she has never murmured. In prosperity she has upheld, and in adversity she has never abandoned you. All she requires is, that you adhere to your compact to her. Take what is legitimately needed for constitutional purposes; but, in all other things, leave her alone to her own resources and destiny. And is this an unreasonable request; or is it hard to grant it? Must perpetual agitation be the penalty she must ever pay for her connexion with you? And shall the bond of our Union, which was designed by our fathers to be a bond of affection and peace, be sacrilegiously converted into an instrument of bigotry and oppression? After a cycle of forty-eight years, we have arrived apparently at a new era under our constitution. Let us forget the past, excepting in the lessons of forbearance and moderation which its experience affords. For that noble State, which I in part represent, I know I can with confidence anticipate her course. Too generous to remember wrongs—too proud to resent them—too great to practise them—she will ever be true to the cause of liberty, the constitution, and the Union.

Mr. RICE GARLAND raised a question whether it was in order for the chairman of the Committee of Ways and Means to move the Senate's bill as an amendment to this bill.

Mr. CAMBRELENG then modified his amendment so as to bring it within the rules of the House.

Mr. BELL made some remarks in favor of taking up the bill for the extension of duty bonds, and pass upon it before this bill was passed, so that they might actually know what the amount of deficit in the Treasury would be. He thought it a novel proceeding to take up this bill before the passage of the other bill, because the amount of deficit would depend in some measure upon the passage of the bill to extend the merchants' bonds. When the bill was acted upon, we could tell what the deficit in the Treasury would be, and then we could act accordingly.

Mr. CAMBRELENG said he did not hold himself responsible for the very extraordinary delay in the passage of the bill to postpone the fourth instalment which passed last night. But gentlemen would not drive him from the course he had taken in bringing these bills before the House. The first object of the Committee of Ways and Means was to bring the bill to postpone the fourth instalment before the House, and have it acted upon. Their next object was to supply the deficiency in the Treasury to enable it to go on with its disbursements; and with great deference to the gentleman from Tennessee, [Mr. Bell,] who had become very lately the advocate of the merchants, he must say, that he must provide for the wants of the Government before he did any thing else. We have been told but yesterday by the gentleman from Pennsylvania, [Mr. Sergeant,] and it was repeated again to-day, that he could not obtain, for a friend of his, the payment of a draft for $811. He would not budge from the position he had taken, and he felt very confident that this committee would not do so. Gentlemen understood this question perfectly. It was simply whether Congress would authorize the issue of Treasury notes with or without interest. The bill was printed in various forms, both in this House and the Senate; and gentlemen would make up their minds on the subject as well now as a month hence.

Mr. BELL made a few remarks in explanation, contending that the course he had suggested before was the proper course now to be pursued.

After a few remarks by Messrs. HAYNES and MERCER,

On motion of Mr. BELL, the committee rose and reported.

The Speaker having resumed the chair,

On motion of Mr. PICKENS, the amendments to the bill were ordered to be printed.

The SPEAKER laid before the House the following report from the Secretary of the Treasury:

Treasury Department, *Sept.* 30, 1837.

Sir: This report is submitted in compliance with the following resolution, passed on the 28th instant, and received at the Department this day:

"*Resolved*, That the Secretary of the Treasury be required to furnish this House with a statement of the number of sub-treasuries which will be required, if the bill imposing additional duties as depositaries in certain cases on public officers should become a law; and, further, how many new officers must be created, if any; how many new buildings to be erected, and what will be, as nearly as he can estimate it, the annual expense of the system; what the salaries to be paid the officers; or what will be the commissions to which they will be entitled."

In answer to the first inquiry, I would state, that I have had recurrence to the printed bill of the House of Representatives "imposing additional duties as depositaries in certain cases on public officers and for other purposes," and which is supposed to be the bill referred to in the resolution. Under that bill, if in its present form it should become a law, I should not feel authorized to appoint any number of "new officers," whether called sub-treasurers, or otherwise, and created either to keep or disburse the public money. The bill seems merely to impose further duties as depositaries on the officers now existing and employed in the collection of the customs and lands, and in the post office and mint. The number of those in each of these establishments, if that information be desired, appears, with a few exceptions, and more accurately than could otherwise be stated without delay, in the last Biennial Register, published by the State Department under the direction of Congress, and to which I would respectfully refer for that purpose.

As to the second inquiry, it may be observed, that in one of the plans suggested by this Department in the report at the commencement of the session, it was proposed that from four to ten "new officers," separate from and independent of those now in existence, might be authorized to act as commissioners, or keepers of the public money, at those important points where it should accumulate much beyond the current expenditures.

But that plan does not appear to be incorporated into the bill before me.

In reply to the third question, I would state, that no "new buildings" seem to be contemplated by this bill, nor have any been considered necessary by this Department.

In answer to the fourth inquiry, "what will be, as nearly as he can estimate it, the annual expense of the system—what the salaries to be paid to the officers—or what will be the commissions to which they will be entitled?"—the following statement is presented:

As the bill now stands, in the fourth section an allowance exists which covers all the additional expenses authorized by its provisions.

That allowance is not considered as sanctioning any commissions, or any new salaries to any of the keepers of the public money.

But if independent commissioners or agents had been authorized, as proposed in one of the plans submitted by the Department for consideration, it was estimated that their number need be only from four to ten, and their salaries not exceed on an average $2,000 annually, without commissions.

That plan not being adopted, the only additional expenses of the system annually, as permitted by the above section in the present bill, would be "for clerks, fire-proof chests, or vaults, or other necessary expenses of safe-keeping, transferring, and disbursing said moneys."

It is computed that, in all, from ten to twenty additional clerks may be necessary at the most important points of collection and disbursement. As the warrants paid at the places of the greatest receipts and disbursements do not generally exceed four or five per day, that number of clerks will probably be amply sufficient.

Fteen at $1,000 salary per year will be $15,000; and it is not supposed that the compensation need, on an average, exceed that amount.

At a similar number of places, additional iron chests, safes, or vaults, may be necessary. But, as they now exist at several ports and land offices, and the first cost of them will not have to be renewed annually, it is computed that the yearly expense for these will not exceed the sum of $10,000.

The only other additional expenses contemplated will be some small items for blank books, transfers, &c. But the last will probably not amount to any thing beyond, if it equal, what is now paid for conveying money to the banks from the land offices.

Should the Treasurer, as recommended in my recent report on the finances, be permitted to receive money in advance for lands, at such points as may be selected by him for public convenience, little or no expense whatever will occur in transfers.

The whole additional expense under the bill mentioned is, therefore, computed not to exceed yearly the aggregate of $25,000. Respectfully, yours,

LEVI WOODBURY,
Secretary of the Treasury.

Hon. James K. Polk, *Speaker, &c.*

On motion of Mr. PICKENS, of South Carolina, the House adjourned until Monday.

Monday, Oct. 2.

NATIONAL BANK.

The following resolution, reported by the chairman of the Committee of Ways and Means, being the unfinished business of the day, came up in order:

"*Resolved*, That it is inexpedient to establish a National Bank."

Mr. SERGEANT proceeded to address the House in continuation of his remarks left unfinished on Saturday, and spoke till the hour arrived for taking up the special order. His whole speech has been given in the debates of the 26th inst.

ADJOURNMENT OF CONGRESS.

The joint resolution from the Senate, authorizing the termination of the present session on Monday, the 9th October, came up as the special order of the day.

Mr. HAYNES, of Georgia, moved to amend this resolution by striking out "Monday, the 9th," and inserting "Thursday, the 12th."

Mr. JOHNSON, of Maryland, said he was opposed to the resolution in its original or its amended form. When the House had discharged its duties to the country, those duties for which it had been convened so suddenly, it would be time enough to consider this question. At present, it was one with which the House can have nothing to do. It is prematurely urged, and ought not to be persisted in. Assembled here for special purposes, what is expected of Congress by the people of this country? For this whole people are keenly alive to the anxious inquiry—what is Congress to do for our relief? And, Mr. Johnson would ask, what had been done? One bill only had been passed, and that not originating with us. No. Coming, as we have done, "fresh from the people," in the midst of unequalled public distress and suffering, and being supposed to understand fully the peculiar exigency which has called us together at this time, it is a startling fact, that we have not originated a single measure for the general relief. We, said Mr. J., the representatives of the people, have been content to sit here and await the direction of the Senate as to the business before us; to take such bills as that body may send us; and now, a proposition is made to adjourn, and go home and tell the country that we have adopted no measures for their relief, and, indeed, that there were none such thought worthy of being presented to us for discussion.

Mr. J. said that there were several bills on the Speaker's table of grave importance, designed to give to the Secretary banking powers, and to establish a sub-Treasury system, with all its ramifications. And it may be demanded of any gentleman on that floor, if subjects of so deep and vital importance to the country can possibly be discussed and considered as they should be, in the interval between this and the time proposed by this joint resolution for adjournment? For one, he confessed his mind could not so readily jump to conclusions. He was not willing to close his eyes, and submit to be hoodwinked in that hall, when measures of such deep consideration were to be acted upon. The members of that House owed it in justice to themselves as well as to the people to act deliberately upon questions of such vital interest. The future business operations of the nation were depending upon the action of this Congress, and if nothing is done to disembarrass and facilitate them, the consequences must be disastrous. Mr. J. called on all, of every party, whether for or against the administration, for or against a bank, for or against deposite banks or subtreasuries, to come forward and act upon the different measures which are or may be proposed.

He referred to the point that had been made, in favor of adjourning on the score of economy of the money of the people. A gentleman from Virginia had shown that an adjournment so soon as had been proposed would be far from conducing to economy in this respect. The expenses attendant on a new convention of Congress, and, of course, a return home of the members of the present session, would more than equal those attendant on a prolongation of the session to the regular time of convening, and the consequent shortening of the usual long session. In the mean time, if there are any gentlemen here whose private affairs demand their return, leave of absence can easily be obtained in such cases. Such applications, he would say, should ever receive his vote. But he was unwilling, because a portion desire to return to their homes, to abandon his post in a crisis like this, while public expectation was on the tiptoe as to what Congress are to do.

The House had been amused by the proffer of gold and silver coin in payment of its *per diem*; and Mr. Johnson suggested that if the House were now to adjourn, and leave the public business unattended to, and separate, the impu-

tation of having adjourned so as to create another demand for mileage—constructive mileage, he would observe, as it would be impossible for all gentlemen to return to their homes, and come hither again before the next session—would everywhere be raised. As we returned home to the people, our pockets filled with the gold which they have not and cannot obtain, shall we not be charged by the country, said Mr. J., with having sought our own advantage at the expense of the people? This, he admitted, might seem somewhat ungenerous on his part, the imputation, even by supposition, of motives like these to honorable gentlemen. But, while he disclaimed entertaining opinions so derogatory to the feelings of gentlemen on that floor, he demanded if they were to leave that hall before the important subjects he had adverted to were acted on, they would not be obnoxious to such a charge?

Mr. JOHNSON closed by moving to lay the resolution and amendment on the table.

Mr. PICKENS requested the mover to withdraw the motion to allow him to offer some remarks on the resolution.

Mr. JOHNSON would cheerfully do so, if the gentleman from South Carolina would renew it.

Mr. PICKENS declining to do this, the question on laying the resolution and amendment on the table was taken and lost.

Mr. PICKENS resumed the floor. He agreed with much that had fallen from the gentleman from Maryland, and believed it would be disastrous to adjourn without acting definitively upon some of the great measures proposed to be acted on at the present session. Every interest in the land was grievously suffering. Agriculture was leaning idly on her plough, and commerce was suspended and drooping. Congress had only to *act* and to *speak* into reaction the industry and enterprise of a free and wealthy people. He would particularly advert to one great and important measure yet to be acted on, which had come to that body from the Senate—the bill for the separation, the divorce, of banks from Government, the great and paramount measure of the session. There was, in reality, already a virtual separation, and the struggle now was how to reunite those sundered interests. This bill would settle that question, and prevent a renewal of that power of the banks by which this country had so long been borne down and shackled.

For himself, he would like an adjournment at the earliest day, if he consulted his own individual interests. But he was unwilling to favor such a proposition until this most important business were settled. He expressed the hope that the motion to adjourn might be modified so as to fix this day two weeks as the day of adjournment.

Mr. CAMBRELENG agreed with the gentleman who had preceded him as to the importance of the business yet before Congress; and in consideration of what had been said in several directions, he suggested to his friend from Georgia [Mr. HAYNES] the modification of his amendment so as to meet the wishes of the House.

Mr. HAYNES modified his amendment so as to insert "Monday, the 16th," instead of "Thursday, the 12th," in place of the original proposition of "Monday, the 9th." Mr. H. expressed a general concurrence with the sentiments of Mr. PICKENS, as to the necessity of carrying out the great measures proposed to be adopted at this session of Congress, before an adjournment should take place. While on his feet, he would take occasion to advert briefly to the question of economy which had been raised by the gentleman from Maryland, [Mr. JOHNSON;] who, he remarked, had informed the House of the additional expense which the country would incur by the payment of the increase of mileage consequent on a separation before the regular session. As to the time which prolonging this session until December would save next spring, Mr. H. did not believe the House would close the regular session at any earlier period, in consideration of such an extension of the present one as was now proposed. As to the question of mileage, he had taken pains to obtain accurate information on that point, and had ascertained that the average mileage of members of Congress amounted to about $110,000, while the smallest amount which it would cost the country to prolong the session until December would be some $120,000 or $130,000. And so much (remarked Mr. H.) for this question of economy.

Mr. F. O. J. SMITH was surprised to perceive the willingness of the gentleman from Georgia [Mr. HAYNES] and of the gentleman from New York [Mr. CAMBRELENG] to protract the present session beyond the period suggested to the House by the Senate. Nor could he agree with the gentleman from Maryland [Mr. JOHNSON] as to the liability of the House to such imputations on their motives for adjourning at the time proposed, as that gentleman had suggested were likely to be thrown out by the country. Mr. S. reminded that honorable gentleman that such imputation could not attach to him; his residence was so near the capital, and his superiority to motives so sordid was so well known to his constituents, that he certainly need not apprehend any such imputation in his own case. As to the other gentlemen of the House, he would suggest that it would be as well for them to be permitted to take their own responsibilities in such matters with their own constituents.

Mr. S. said he did not believe that were Congress to resolve to sit till the sub-Treasury bill were taken up, there could be any adjournment until next year. The House could not possibly discuss that bill to the extent which it would be found necessary, if brought up for consideration, without sitting weeks, and perhaps months, upon it alone. He thought a speedy adjournment would be the best relief the country could receive. Mr. S. further remarked, that private conversation with members of the Senate had convinced him that were this resolution sent back to that body with a single amendment, it would be entirely out of the question to obtain any decision upon it until the opening of the regular session of Congress.

Mr. CAMBRELENG asked the gentleman from Maine [Mr. SMITH] what authority, if any, he had for that remark.

Mr. SMITH rejoined, that it was the result of private intercourse with members of the other branch of Congress. He went on to express his belief, and to claim that such belief was a legitimate ground of argument in that House, that no alteration, not even of a single day, should be made in the joint resolution as it came from the Senate, if any adjournment at all were expected to be obtained. It was too late, he said, to settle such grave questions as those involved in the important bill alluded to by the gentleman from South Carolina, [Mr. PICKENS,] at this session, unless there shall be no recess at all; and those gentlemen who urge the introduction of that measure now, ought, in candor, to acknowledge that they do not expect any recess.

Mr. ADAMS reminded the House that, when this joint resolution first came up, he had endeavored to introduce an amendment, to strike out the 9th of October, and insert the first Monday in April. It was objected to, and as it required the assent of the House to its introduction at that time, it was not pressed. His object in offering it was to have an opportunity of giving an opinion upon the inexpediency of this short session of Congress, and in favor of extending it into the regular session. He should now propose that amendment to the amendment of the gentleman from Georgia, [Mr. HAYNES.] He proposes by this amendment to deduct three months from the end of the long session, in consideration of the three at the beginning. This would give ample time to discuss the affairs of the country, and to do something for its permanent and solid

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